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ABSTRACT

This case study, part of the State Structures for the Governance of Higher Education study, focuses on governance and related issues in California's higher education system. The study's overall purpose was to examine differences among ustates in their governance structures, and to determine if differences in performance were related to governing structures and whether structure affects strategies of state policymakers. The study is based on analysis of documents and interviews conducted in 1996 with state officials, education administrators, faculty, and staff. The first section reviews the state's economic situation, political context, and higher education issues. Section 2 examines the system's characteristics and history, including current perspectives, the California Postsecondary Education Commission, the California Education Roundtable, and the Student Aid Commission. Section 3 looks at the Board of Governors and local districts within the California Community College system. Section 4 looks at the University of California; subsections address the Board of Regents, the Office of the President, faculty influences and the Academic Senate, the budget process, academic programs, information systems, and performance evaluation. Section 5 looks at California State University, including the Board of Trustees, the Office of the Chancellor, faculty influences, budgeting, program planning and review, articulation, information systems, and performance. Private universities and colleges are briefly covered in Section 6. Sections 7 and 8 examine coordinating processes (budgeting, program review, articulation, and information) and system performance (access, efficiency, and quality).(Contains 32 reference notes.) (DB)

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STATE STRUCTURES FOR THE GOVERNANCE OF HIGHER EDUCATION

Georgia Case Study Summary

A Report from

THE CALIFORNIA HIGHER EDUCATION POLICY CENTER

Spring 1997

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State Structures for the Governance of Higher Education

California Case Study Summary

By Richard C. Richardson, Jr.

Spring 1997

A Technical Paper Prepared for
State Structures for the Governance of Higher Education
and
The California Higher Education Policy Center

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Preface

State Structures for the Governance of Higher Education is a national research project concerning state governing structures for higher education. This project was conducted by The California Higher Education Policy Center with support from The Pew Charitable Trusts and The James Irvine Foundation. The purpose of the research is to better understand how states differ in the design of their governance structures, what difference in performance can be related to choice of governing structures, and how structure affects the strategies available to state policy makers with regard to the state's higher education system.

The products of the study include nine different publications: seven case studies, a comparative report, and an annotated bibliography. The *case studies* provide separate summaries of higher education governance for the seven states in this project: California, Florida, Georgia, Illinois, Michigan, New York, and Texas. The state systems of higher education examined in these studies include public and private postsecondary institutions as well as the arrangements for regulating, coordinating and funding them. Case study research was conducted between September 1994 and September 1996. For each state, researchers collected documents, examined archival data, and conducted interviews to obtain multiple sources of information about context, system design, governance structures, and performance. Over 200 interviews were conducted with state legislators, legislative staff, representatives from the governor's office, representatives from state budget and research agencies, state higher education agency officials, system and institutional presidents, chancellors and board members, and faculty. Documents reviewed include state budgets, master plans, statistical reports, board agendas, system histories, and newspaper accounts. All case study reports were reviewed for accuracy by knowledgeable individuals within the state.

Following the completion of the case study reports, a *comparative study* was developed to provide an interpretive synthesis of the data in the case studies. An *annotated bibliography* has been compiled to highlight relevant literature on governance in higher education, government, business, and K–12 education. The bibliography also includes several theoretical pieces that helped to frame the conceptual design of the research.

Throughout the project, the research team was guided by the advice of a National Advisory Committee comprised of 18 experts in higher education governance issues. We would like to thank each of the committee members for their assistance in this project (their names are listed in the Appendix to this case study). In addition, we wish to thank the following individuals for

their assistance in reviewing drafts of the case studies: Kenneth Ashworth, William Barba, Joseph Burke, Raymond Cardozier, Patrick Dallet, Cameron Fincher, Edward Hines, David Leslie, Marvin Peterson, William Pickens, Stephen Portch, Jack Smart, and Richard Wagner.

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This case study synthesizes interview data with other sources to paint a descriptive picture of governance and related issues facing California's higher education system. The research for this study is based on documents gathered from public offices, higher education institutions and relevant publications. Interviews with state officials, education administrators, board members, faculty, and staff took place in the spring of 1996.

State Context

California, with 31.5 million residents, is more than one-half again the size of the next largest study states, Texas and New York. It is also the most diverse state, with close to one-third of its population from non-Caucasian groups. Hispanics are the largest and fastest growing minority. The Asian-American population is also growing rapidly. Four out of every five new Californians in the 21st century will be either Hispanic or Asian-American. Shortly after the turn of the century, a majority of all Californians will be other than Caucasian.

The state is now recovering from one of its worst recessions since 1929. Between 1990 and 1994, California lost 868,000 jobs, equivalent to firing the entire work forces of Nevada and Alaska. More than 43,000 businesses went under. California's recovery from the recession has been slower than elsewhere in the United States, due primarily to a relatively high unemployment rate, more low-paying and fewer high-paying jobs, a slippage in educational levels of some segments of the labor force and growth in the younger, non-working population.[1]

California voters have not made it easier for policy makers to cope with these challenges. Proposition 13 reduced local property taxes overnight by 57 percent and effectively destroyed the power of local government to raise ad valorem taxes. Hard on the heels of Proposition 13

came other initiatives indexing the income tax and abolishing the state inheritance tax. Next came Proposition 98, requiring at least 40 percent of general fund revenues to go to public schools with part set aside for the California Community Colleges (CCC). Six-year term limits for the Assembly and eight-year limits for the Senate were passed in 1990. In 1994, voters passed a "Three Strikes" initiative, which placed additional demands on the state general fund. In addition, recent legislation has allowed people whose taxes were frozen at 1975 values to pass their homes on to their children without reassessment.[2] In 1996, voters passed a ballot initiative to end all use of race or ethnicity in admissions support programs or related services. Many believe this initiative will exacerbate existing disparities between high- and low-income families, already the worst in the region.

Along with its problems, California has impressive strengths. The size of the state economy is equal to those of Argentina, Mexico, and Australia combined. The civilian labor force dwarfs that of Canada. California has more new and fast-growing companies than any other state, nearly double its closest competitors. Its agricultural industry is over 50 percent larger than its nearest U.S. competitor, Texas. California also has the nation's largest manufacturing base with particular strength in aerospace and electronics.

In Table 1, which summarizes information about the "golden state," California's problems and promise are evident. The state has the most highly educated population among the seven study states. A somewhat higher percentage of New York residents hold graduate and professional degrees, but even in this category, Californians are a close second. At the same time, California has a young population, less likely to speak English in the home. The per capita income is only average and the potential tax revenue per student is less than in other study states.

Table 1

Contextual Variables for California Compared to Selected States

(Numbers in Parentheses Represent Rank Among the Seven Study States)

Contextual Variables	*High (1–2)*	*Average (3–5)*	*Low (6–7)*	*U.S. Average*
Population (in Millions) (1995)	31.6 (1)			
Per Capita Income (in Thousands) (1995)		$23.7 (3)		$22.8
Potential Tax Revenue (1995–96)*†			91 (6)	100
New High School Graduates per 1,000 Population (1995–96)†		9.0 (5)		9.6
Role of Private Higher Education§		Moderate		
Role of Governor‡	Strong			
% of Population with Associate Degree (1990)	7.9 (1)			6.2
% of Population with Baccalaureate Degree (1990)	15.3 (1)			13.1
% of Population with Graduate or Professional Degree (1990)	8.1 (2)			7.2
% of Population 24 Years Old or Younger (1995)	37.3 (2)			35.5
% of Population that is Anglo (1990)			69.0 (7)	80.3
% of Population Who Do Not Speak English in Home (1990)	31.5 (1)			13.8
% of Population in Poverty (1994)	17.9 (2)			14.5
High School Dropout Rate (1992 to 1994 Average)		11.0 (3)		9.0

* This figure is expressed as an Index: National Average = 100.

Sources: Unless otherwise noted, data are drawn from *Chronicle of Higher Education Almanac* 43, no. 1 (September 1996), pp. 42–44.

† From K. Halstead, *State Profiles for Higher Education 1978 to 1996: Trend Data* (Washington, D.C.: Research Associates of Washington, 1996), pp. 9, 12.

§ From Task Force on State Policy and Independent Higher Education, *The Preservation of Excellence in American Higher Education: The Essential Role of Private Colleges and Universities* (Denver: Education Commission of the States, 1990), pp. 30–32.

‡ From J. M. Burns, J. W. Peltason, and T. E. Cronin, *State and Local Politics: Government by the People* (Englewood Cliffs, NJ: Prentice-Hall, 1990), p. 113.

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Economic Situation

An analysis published in 1994 by the Rand Corporation summarized the environment for fiscal policy on the eve of California's recovery from the recession. Health and welfare, corrections, higher education, and K–12 education accounted for over 90 percent of state general fund spending. Allocations for health and welfare, and corrections have been going up with few interruptions over the past 25 years while those for education have been going down. The report predicted that K–12 spending would have to grow, leaving no increases for higher education. According to this analysis, California State University (CSU) by 2002 would have to turn away 200,000 to 300,000 students it would otherwise have admitted.[3] In a separate analysis, David Breneman argued that the Governor should declare a "state of emergency" for California higher education and appoint a blue ribbon commission to plan the future of the system.[4] Shortly afterward, higher education leaders announced the receipt of a grant from the Hewlett Foundation to study issues of funding and enrollment in higher education.

By summer 1996, higher education was entering the second year of a four-year compact with the Governor providing a four percent general fund increase each year, along with a provision that student fees could be increased by ten percent. Already the Governor had "bought out" one year of student fee increases with an additional $57 million of state appropriations. A senior CSU official told us, "As the economy turns up in California, faculty are saying, 'See, we told you if we would just wait, things would turn around. Higher education survived the depression without any changes; no faculty were dismissed.'" A senior member of the legislative staff told us that during the recession, there were some opportunities to look at new ways of doing business, at new ways of working together for higher education. He said he was worried that now that the pressure was off because of two good budgets, people will go back to business as usual. In higher education, he added, there is also a feeling that "We've always done well." He said that such complacency could be problematic for California in the future.

For most of our respondents, the budget crisis was already a receding memory. We were told by several sources that a constitutional revision committee now at work in the state would make no important changes to either the University of California (UC) or California State University (CSU). Concerns that did surface focused more on the degree to which the state had tied its hands through public initiatives such as the "Three Strikes" legislation and the need to enhance student aid to prevent California from becoming another "Arkansas or Mississippi."

Political Context

The 1960 Master Plan dominates most discussions of California higher education. The Master Plan established a "social contract" that said that the state would provide a low-cost college education to any eligible student. It also organized public higher education into three segments, each with different functions and admissions pools. A senior CSU executive described to us three current perspectives on the Master Plan: "The public treats the Master Plan as ten

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commandments, asking only 'Are desired services available?' The power structure is so taken with the mythology of the Master Plan that for them it has outrun the plan's reality. Institutions believe their self interests are best served if no one is doing anything to them." A legislative staff member, after describing the system as "self-contained," noted that the Governor and Legislature have been fairly deferential. He continued, "Most legislators believe that the system works reasonably well because the system really knows how to work the legislative process. The systems are able to place their own spin on information to make certain that information about what's not working . . . is kept from the legislators."

While no one we spoke with disputed the power of the Master Plan, most see problems in its current application. A Democratic senator described the plan as a classic "Great Society promise with its assumption of an unending cornucopia of funds." He added, "That's dead." A California Postsecondary Education Commission (CPEC) official described the difficulties of planning when all of the issues that might be addressed are enshrined in the Master Plan: "It is difficult to have policy discussions with the Legislature and the Governor. Everything is dominated by the annual budget. Considerations are short-term. There are no long-term issues raised."

In the past many legislators have been supportive of higher education because they were present at the Master Plan's inception and bought into its assumptions. As term limits separate these legislators from political life, there will be more questions about the investments the state is making in higher education. The new slate of legislators may be more willing to raise difficult question. A senior UC administrator who sees problems with the interface between higher education and state government argued that the amount of executive and legislative attention to education has been minimal. "There is a strange and small collection of entry points to the Governor's office," he said. "What would be more useful would be more direct attention to higher education from the executive arena of state government."

California has a constitutionally strong Governor whose influence on higher education is pivotal. We were told by a legislative staff member, "The Governor really runs the show. Between the power of budget and the power of appointment, there is no one else who has his influence over higher education."

The actual influence of recent governors has not equaled their potential influence. The last Governor to have changed higher education in significant ways was Pat Brown (Governor from 1959 to 1967). Most of those we interviewed from the higher education community told us that the current Governor, Republican Pete Wilson, is not interested in higher education.

Some disagreed, however. A senior CSU staff member told us, "While Governor Wilson is not visionary or passionate, he is firmly committed to certain goals and is a very pragmatic person. Where there is an intersection between what CSU is attempting to do and his goals, the Governor will provide leadership and support." A Senate staff member said, "Each Governor has had an issue that he has been somewhat exercised about. For Wilson, it has been

affirmative action." And while staff members in the Community College Board of Governors' office described the Governor as "remote and unreachable," our interview with a member of the UC Board of Regents was delayed for two hours because he was in the Governor's office. Later, while we were conducting the interview, the regent received a telephone call from the Governor.

Some of the differences in assessing the Governor's interest in higher education relate to a changing political environment. Until 1994–95, both the Senate and the Assembly have been Democratic. Governors have been Republican. Despite differences in political parties, a Governor's veto has not been overridden in the funding process for higher education during the last 13 years. A legislative staff member described the way the process has worked: "If you have the Governor, the Regents and the heads of the systems agreeing, the Legislature is left as a minor player. The Governor makes agreements and deals about UC funding levels and seems to be on the same path for CSU." The use of budgeting as a process for striking agreements between the Governor and system leaders represents a different and more market-oriented approach to system management from the program-oriented interventions of the 1960s and 1970s. Heavier reliance on market forces seems attuned to a political environment of term limits in which state legislators do not have an extended opportunity to learn about California's highly complex and extremely change-resistant system of higher education.

A state senator told us that the Legislature looks at higher education as three public systems and develops stereotypes to make them easier to deal with. He thinks term limits would exacerbate the use of stereotypes as legislators would be placed in decision-making roles without the basic understanding that comes with serving as a member of a committee. A colleague in the Senate, leaving because of term limits, described his departure as "not a problem" because California has a self-contained system that really runs itself. He predicted the Legislature would deal with only the "hot-button ideological issues," adding, "The real policy issues are complex and require deliberation. The Legislature will be unable to deal with them."

A former CPEC official told us that term limits had already had a massive effect on higher education, since "old timers" with experience have gone or will go, leaving no legislators with the long-term knowledge of higher education. He added, "New members have only a limited time to make a name for themselves and higher education is not a legislative career ladder." A Senate staff member told us it may take eight to ten years to get pieces of legislation passed. Because term limits will eliminate the necessary persistence by individual legislators, the role of the Governor will be strengthened. A key member of the Assembly who has been associated with significant higher education reform initiatives was even more emphatic: "The California system is complex. It is a tough system to master. The texture of the influence structure has been shattered by term limits. Bureaucrats and lobbyists have been profoundly empowered."

As concern about the impact of term limits rises, there is heightened interest in appointments to governing boards. A former UC executive told us the Governor had two appointments to the UC Board of Regents within a month and that it was highly unlikely the Democratically controlled Senate would approve either. In the previous history of the system there have been only two instances in which the appointment by a Governor was not confirmed. Current resistance to gubernatorial appointments is also seen as a protest against such controversial actions as the Regents' vote ending affirmative action within the UC system. (The Regents voted to end the use of race and ethnicity as a criteria for admissions and hiring decisions in the summer of 1995.)

Shifting political philosophies, uncertainties about term limits, and a highly autonomous system contribute to a political environment that sends few clear messages to higher education. When asked about what political leaders want, a legislative staff member said, "There are the classic answers of quality and access. Access tends to be important primarily because of anecdotes they hear from constituents who are unable to get into one of the colleges or universities. Quality may be less important." An influential assemblyman told us, "The system is going through profound change. To whose view should higher education respond, mine or my fundamentalist right-wing colleague?" He described the clash as national in scope and a defining moment for society. Under such circumstances, it is not surprising that many describe the higher education community as "fractionalized and lacking clear vision with everything highly politicized."

When expectations or priorities do surface, they tend to cluster around promises built into the Master Plan even though many agree that the fundamental assumptions built into the plan no longer apply. A Democratic senator described access as the key priority and included in that definition student progress through the system. His second priority was economic development, particularly through research functions, and his third, quality of instruction. He also emphasized the need for a closer relationship between higher education and the K–12 system.

In the minds of many, the Master Plan deliberately isolated higher education from politics. Based on more than 30 years of experience, few in the policy community believe that change will occur without executive and legislative leadership that defines the changes that are needed and the outcomes for which systems will be held accountable. As we were told by a legislative staff member, you can't have it both ways, so the Legislature has reacted by "letting higher education run as long—as it doesn't cost too much money and stays out of the way of the Governor and the Legislature."

State political, business and civic leaders are in agreement that the problems higher education faced in the early 1990s were not simply a matter of funding. At the same time, neither California leaders nor the general public are confident that the issues facing higher education will be addressed with real "purposefulness." Higher education is low on the political agenda, and seems an unlikely topic for discussion in public forums on a statewide basis.[5]

Issues for Higher Education

The issues facing higher education suggest that change is inevitable. The key questions are how and where. No one we talked with had much confidence that state government could deliver any clear messages to higher education other than through the incremental process of annual budget negotiations. Most were equally pessimistic about the capacity of higher education to change from within in the absence of clear state direction and incentives. A spokesman for the independent sector summarized, "The issues around higher education are so elegant and complex, it is hard to know where to intervene. Where do you get higher education to do something other than talk?"

The issues are wide-ranging. Perhaps the most visible challenge is a projected enrollment surge that has been called "Tidal Wave II." The California Postsecondary Education Commission has estimated 455,000 Californians beyond those already enrolled in the state's colleges and universities will seek access to higher education in the state in the next decade. Access for these students is threatened by limited space in existing institutions as well as by disagreements among the three public segments about how many each should serve and how.[6] Access is also threatened by growing student indebtedness. Demand for student assistance has surpassed program capabilities, so that the past consensus about the purpose of state student aid grants—called Cal Grants—has broken down. (Cal Grants were initially established to ensure that California residents who chose to attend private colleges or universities would have some financial assistance in making that choice.) As institutional costs increased, however, there were no significant increases in the number of Cal Grant awards or in the dollars appropriated to the program. Lack of consensus about purposes and amounts of aid threaten the viability of the independent sector at the same time that the state is counting on its capacity as one response to Tidal Wave II.

According to a public opinion poll conducted in California in 1993, the general public was concerned about declining opportunity, even before Tidal Wave II. Over one-half of those polled thought that many qualified people were unable to get a college education in the state; 67 percent felt that opportunity for higher education had declined in the last ten years; and 73 percent believed that getting a college education will be even more difficult in the future. Californians were particularly concerned about declining opportunity for those least able to afford a college education.[7]

Many are concerned as well about the degree to which more affluent students are required to fund the less affluent. Currently, public institutions are expected to dedicate approximately one-third of all new student fees to financial aid. While this arrangement works reasonably well in the University of California and the private sector, it may not work as well in either Cal State or the community colleges. A CSU president described the costs now borne by students as a threat to quality as well as access.

Concerns about quality are by no means limited to CSU, for the quality of undergraduate education has been a chronic concern for UC as well. Many of our respondents wondered whether California will be able to afford eight or more "world class" research universities with common expectations. Several respondents predicted a scenario in which UCLA and Berkeley maintain what they have and other campuses get by with substantially less. Concurrently, program duplication at the graduate level adds to the costs of doing business for the UC system, and few are optimistic about the system's capacity to use technology to reduce costs in the face of faculty resistance.

Concerns about quality intersect with concerns about access. This is particularly true at CSU, where the response to past state budget cuts has been to reduce the number of course offerings. Few believe that the community colleges, under current funding constraints, can continue to achieve their mission in providing widespread access to quality higher education. All of California's institutions of higher education must find ways of responding to changing student demographics and changing work-force requirements in an environment that has become hostile to services that target ethnic groups.

Most system representatives we interviewed were confident that these issues could be addressed with sufficient resources. The "Catch-22" is that no one really believes that the necessary resources will be forthcoming, especially in the changed political climate. Describing the state's shift toward block grants and its reduction in state funding to higher education during the early 1990s, a former CPEC official said, "It is not possible to exaggerate the changes in state funding of higher education." A current CPEC official described Proposition 13, Proposition 98 and similar actions as creating "structural flaws in the budget." He estimated the need for anywhere from $350 to $450 million of new funds for higher education per year if systems were to keep pace with demand, investigate technological solutions, shorten time-to-degree, and expand facilities.

While some take heart from the 1995–96 increase of $266 million to higher education (for all purposes except capital outlay), most believe that higher education will not be capable of carrying out its responsibilities under the Master Plan without some reexamination of where revenues are generated and resources allocated. Many of those interviewed expressed particular concern about the extreme disparities in per student allocations to the three public segments, especially since changes in affirmative action may result in an even greater proportion of the least affluent and least well-prepared students attending community colleges.

The disparity in per student allocations is illustrated by a Rand study that estimates real operating costs per full-time-equivalent (FTE) student for 1993–94 as $17,398 for UC, $8,439 for CSU, and $2,738 for the community colleges.[3] Knowledgeable insiders scoff at these figures, arguing that the way they were derived (dividing total revenues by total FTE students) invalidates their usefulness. While the Rand figures undoubtedly distort actual expenditures for educating students, they nonetheless underscore two realities that California must confront. The first is that the segments are very unequally funded, exacerbating the perceived differences in

the prestige of each one. The second is that California does not do very well on measures of equity in *intra-system* allocations, ranking 5th among the seven study states and 37th in the United States.[9]

System Characteristics and History

The University of Santa Clara and the University of the Pacific, private institutions founded in 1851, were the first two universities in California. Public postsecondary education in California began in 1862 with the opening of what is now San Jose State (a CSU institution) as a normal school. The University of California was created in 1868 and the first junior college program began in Fresno in 1910. By 1959, just before the creation of the Master Plan, each of these segments had experienced substantial growth and significant change.

While the Legislature authorized the creation of separate junior college districts in 1921, most junior colleges were operated by high schools and unified districts throughout their first half-century. This early relationship with K–12 continues to blur their status as a part of higher education. The enactment of Proposition 98, which established the same guaranteed funding mechanism for community colleges as for public schools, has, in the minds of many, created further confusion.

In 1920, the Legislature abolished local governing boards for its seven normal schools and reorganized them under the state Board of Education and the superintendent of public instruction, an arrangement that continued until after adoption of the 1960 Master Plan. In 1935, normal schools were renamed state colleges and authorized to expand their curricula beyond teacher education.

During this same period, the University of California, which from its founding enjoyed a unique status as a public trust governed by a Board of Regents, grew beyond its original campus at Berkeley to include additional sites in San Francisco, Davis and Los Angeles. Meanwhile, private institutions grew to serve a substantial share of the market. Unlike their eastern counterparts, however, they operated in the shadow of a large and an ambitious assortment of public institutions.[10]

In 1959, when California was experiencing immense growth, some state and community colleges wanted to become four-year universities. Private colleges were threatened by what they considered the insensitive expansion of the public segments. Dozens of bills were being considered by the Legislature to resolve such questions as: where to locate new campuses; who should offer professional and graduate training; what should be the admissions requirements for each public segment; and how should the public segments be coordinated. Over the next 18 months, a coalition of educational leaders—guided by Clark Kerr, then president of the

University of California: Roy Simpson, the superintendent of public instruction representing the state colleges; and Arthur Coons, president of Occidental College—produced the Master Plan for Higher Education, which became law when the Governor signed the Donohoe Act in 1960. The plan, which became a model for the nation and the world, has recently been described by one of its principal architects as a negotiated "treaty among the constituent parts of higher education in California that would, at the same time, be acceptable to the Governor and the Legislature of the state."

Under the Master Plan, higher education consisted of a public sector (University of California, California State University, and the California Community Colleges) and an independent sector. The University of California would admit the top 12.5 percent of high school graduates and have exclusive responsibility for doctoral degrees and professional programs beyond the master's degree. State colleges, which would admit the top one-third of high school graduates, were given their own Board of Trustees and the opportunity to offer master's degrees across the board. They were also granted the authority to offer joint doctorates with the University of California. Almost as an after-thought, community colleges were assigned the role of providing access; all high school graduates were eligible to attend the community colleges and those who succeeded in earning an associate's degree would be guaranteed the opportunity to go on to a baccalaureate degree at a public university. Finally, the Master Plan provided for a Coordinating Council made up of representatives from the three public segments and the private sector.[11]

The plan represented a compact among citizens, the institutions, and state government. It promised the state an orderly system of higher education where institutions had clear missions and where planning in the public interest would determine the location of new facilities and services. For every qualified adult citizen, an undergraduate space would be available with the cost for instruction paid by the state. Public institutions were promised that the state would support a first-rate system of higher education with faculty, equipment, and facilities among the very best in the nation. Independent institutions were offered a state program of student financial aid. Over time, additional elements with fiscal implications became identified with the original Master Plan, including: faculty salaries at public institutions competitive with similar public and private institutions; special assistance for the disadvantaged, the under represented, and those with special needs; geographically convenient opportunities; and employee collective bargaining.

In the more than 30 years since the provisions of the Master Plan became law, the Master Plan has been revisited no fewer than five times, the most recently in 1986. Among the more important changes resulting from these restudies has been the creation of the California Postsecondary Education Commission, with strengthened authority and a majority of public members as successor to the original, institutionally dominated Coordinating Council. There have also been a number of attempts to reform community college governance.

Shortly before the beginning of our study, higher education in California consisted of:

- The University of California, with eight general campuses, one health science campus and numerous research facilities. In 1995, the University of California served 163,256 full- or part-time students, 39,519 of whom were post-baccalaureate. The UC has sole authority within the public segments to award doctoral degrees and exclusive jurisdiction over the professions of law, medicine, dentistry, and veterinary medicine.

- The California State University, with 22 campuses. In 1995, CSU served 325,976 full- or part-time students, all but 61,581 of whom were undergraduates. CSU is authorized to award the doctoral degree jointly with UC or a private university. Faculty research is authorized only to the extent that it is consistent with the instruction function.

- The California Community Colleges, with 71 locally governed districts operating 107 colleges. In 1995, these colleges, which accept any high school graduate or person over age 18, enrolled 1.1 million full- or part-time students. The colleges offer lower division academic programs, a wide variety of technical and occupational programs, as well as instruction in basic skills, English as a Second Language, and citizenship. The locally governed districts are loosely overseen by a statewide Board of Governors.

- One hundred and forty-seven private four-year institutions and 36 private two-year institutions that in 1995 collectively enrolled 231,337 full- or part-time students, 47,580 of whom were graduate students. While private institutions enroll only about 15 percent of all students, they account for more than one-fourth of all baccalaureate students, more than a third of all graduate students, and well over half of the doctoral and first professional enrollments.

- The California Postsecondary Education Commission charged with overseeing the system.

- The Student Aid Commission, which administers state and federal financial aid programs.

- The California Postsecondary and Vocational Education Commission, which regulates private higher education institutions.[12]

Table 2 reports selected characteristics of the California higher education system in relation to other study states. California is at the top of the study state rankings in four of the eight categories. It ranks second or third on three of the remaining four. Some rankings (total number of institutions, number of public two- and four-year institutions) are clearly a function of size. Others (percent in public institutions, FTE students per 1,000 population, and percent of high school graduates going on anywhere) reflect just as clearly the extraordinary commitment California has made to public higher education. California's very low ranking on

revenues available per FTE students is illustrative of a system designed to fulfill this commitment at a lower than average per-student cost by requiring most high school graduates to begin their college careers at lower cost community colleges.

Table 2

System Characteristics for California Compared to Selected States

(Numbers in Parentheses Represent Rank Among the Seven Study States)

System Characteristics	*High (1–2)*	*Average (3–5)*	*Low (6–7)*	*U.S. Average*
Total Degree-Granting Institutions (1994–95)	336 (1)			
Public Four-Year Institutions (1994–95)		31 (3)		
Public Two-Year Institutions (1994–95)	107 (1)			
% of Enrollment in Public Institutions (1994)	86.2 (2)			78.0
FTE Students per 1,000 Population (Public Institutions Only) (1995–96)*	40.0 (1)			31.5
Participation Ratio: Public FTE Students per New High School Graduate (1995–96)*	4.42 (1)			3.28
% of High School Graduates Going on to Higher Education Anywhere (1994)†		60.6 (3.5)		57.3
State Appropriations plus Tuition Revenues per FTE Student (1995–96)*			$5,876 (6)	$7,020

Sources: Unless otherwise noted, data are drawn from *Chronicle of Higher Education Almanac* (September 1996).

* Halstead, *State Profiles: Trend Data* (1996), pp. 9, 12.

† Halstead, *Higher Education Report Card 1995* (Washington D.C.: Research Associates of Washington, 1996), p. 61.

Table 3 provides data on overall enrollment trends in California, by segment of higher education. The University of California and the independent colleges and universities experienced enrollment increases from 1985 to 1995. Enrollments at Cal State and the community colleges, however, were almost the same in 1995 as they were in 1985, primarily because significant enrollment declines in the early 1990s negated enrollment increases in the late 1980s.

Table 3
Enrollment in California Higher Education

	1985	*1990*	*1995*	*% Change 1985 to 1995*
CCC	1,176,712	1,394,563	1,174,904	–0.15%
CSU	324,626	369,053	325,976	0.42%
UC	147,957	166,547	163,704	10.64%
Independents	197,130	177,077	231,337	17.35%

Source: CPEC, *Student Profiles 1996* (Sacramento: 1996), not paginated.

Current Perspectives on the California Higher Education System

A majority of those we interviewed were not willing to concede that California had a system of higher education. One senator summarized the views of many respondents when he said, "You really have to ask what system means. If a system means that institutions help one another and share resources then we do not really have systems in California. What we have is systems essentially for clout. From an educational standpoint, or an efficiency standpoint, they're not really systems." A colleague described the Master Plan as "a jurisdictional agreement disguised as an ideal arrangement based on assumptions about how you can carve up the territory." A CSU senior executive said the California system was designed to maximize the influence of professionals and minimize external intrusion. A former consultant to the California Senate told us, "The arrangement assumes that state needs are coterminous with the sum of what the systems are willing to deliver." A member of the Board of Regents agreed that there are really several systems and not a single state system. He added, "UC and CSU each go their own way without coordination. There is a disconnect across all units." Others elaborated on the theme. "Instead of a single system of education," said a community college spokesman, "California has five independent and autonomous systems, the three public sectors of higher education, the public schools, and private education."

The complexities of three separate public systems are intensified by differing structural arrangements within each of the three public segments. The University of California operates as an organic model.[13] CSU functions mostly as a state bureaucracy, and the community colleges most resemble a loose confederation. System offices and individual campuses are loosely coupled in CSU's system and even more loosely coupled in the UC system, providing substantial campus autonomy. In the case of community colleges, it is not clear that the system office has the capacity to do anything other than monitor the statutory environment within which individual campuses do whatever they please. A writer for *Harper's Magazine* has suggested "anarchy" as the consequence of institutional disconnects and voter interventions.[14]

The litany of complaints from those we spoke with concerning the existing system is lengthy. There are no structural arrangements that encourage institutions to work together or keep track of examples of collaboration and report them. The separate systems go their own ways, negotiating their own deals with the Governor and the Legislature with the whole presumably guided by the invisible hand of the Master Plan. Those we interviewed wondered whether California can really afford the level of investment to maintain fairly autonomous large segments operating in their own self-interest. Among the system descriptions they provided: "mired in the past seeking self-preservation rather than adjusting to the future;" "too rigid to permit needed forms of regional collaboration;" and "facilitates primarily protection of turf."

Most, however, said that they consider system weaknesses to be strengths as well. A senator told us, "The greatest strength is stability provided by the three-system structure and the relative autonomy that individual institutions have. This is also a weakness because it makes it very easy for institutions and those within them to become complacent and to insulate themselves from societal change." A CSU president, who acknowledged the need for reexamination, described the Master Plan as "a wise and thoughtful commitment to have as many people as possible well-educated." The president added, "The genius was in tiering the system so that legitimate goals for each segment were defined and system interconnection required through transfer." A UC chancellor valued the Master Plan because it allowed for "peaks of competence" in the system. A CSU representative identified as key strengths the public's confidence in the excellence of the public university system and the public's assumption that everyone should have the ability to go to school.

Most of those we interviewed attributed weaknesses to poor leadership. Virtually no one said there is a need to change the structure. A member of the Assembly acknowledged that the system had a certain cumbersome quality but liked its orderly character. He did not believe that changing the structure would change the way people behaved. A former member of the UC Board of Regents described a need for improved collaboration, but added that he would oppose altering the tiered character of the system in order to achieve better collaboration. And the Legislature recently rejected a bill that would have added a regional structure for higher education.

The roots of resistance to change are not difficult to trace. They include the power of the Master Plan, as represented in its acceptance and recognition around the world, as well as the results that the plan has produced in California. As one respondent said, "California has a very fine public system, a world-class system at unbelievably low prices to consumers. It wouldn't be realistic to break up a system with which people are reasonably comfortable." On the basis of our study, California appears to be an unlikely candidate for other than marginal change stimulated either by the market or by negotiations around the annual budget. The paradox is that few believe the system can respond to the larger issues it will confront in the next century without significant change.

California Postsecondary Education Commission

The California Postsecondary Education Commission (CPEC) was founded in 1974 as an advisory group to the Legislature, Governor and postsecondary institutions on major educational policies. The commission has statutory authority to establish a statewide data base, to review institutional budgets, to advise on the need for and location of new campuses, and to review all proposals for new academic programs in the public sector. The commission's primary purpose is to prevent unnecessary duplication and to coordinate efforts among the segments.

The commission is composed of 17 members, nine of whom are appointed from the general public, three by the Governor, three by the Senate Rules Committee, and three by the Speaker of the Assembly. Six members represent various segments of education, including the UC Board of Regents, the CSU Board of Trustees, the statewide Community College Board of Governors, the state Board of Education, and the California Postsecondary and Vocational Education Commission. One member is appointed by the Governor to represent independent institutions. The remaining two members are students, both appointed by the Governor. The commission's executive officer is appointed by the commission and serves at its pleasure.[15]

More so than the segments, CPEC takes a statewide perspective. Judging from our interviews, however, this role is not particularly valued. A UC chancellor said, "We have coordination when we want it but not when we don't." Few people want CPEC to play a stronger role. A CSU executive said, "If the Governor or the Legislature had a fundamental interest in higher education, they wouldn't think of CPEC as an instrument for implementing their interest. When the Legislature wants to study the Master Plan, they appoint a lay commission and a blue-ribbon citizens' commission. They do not rely on CPEC." The absence of any close relationship between CPEC and the Governor and the Legislature is evidenced by recent cutbacks that have cost the commission one-third of its staff.

CPEC was founded to be an independent voice on higher education, but there are not a lot of teeth in the legislation. A legislative staff member said, "While their statutory role is a coordinating body, they are too captive of the segments." CPEC does provide a neutral arena for the discussion of non-controversial issues among the systems. The agency has been very vocal on strengthening the role of independent institutions. It has recommended changes to the Cal Grant A program to increase student options in the private sector. It also proposed a cap on student fees that the segments successfully resisted because fees are bargaining chips in budget discussions. CPEC representatives believe some of their interventions bear fruit even when they do not receive credit. For instance, while UC took exception to an effort by CPEC to initiate a discussion on regional planning of graduate programs, the university is now looking at its programs on a campus-by-campus basis. CPEC would have liked the discussion to include CSU and independent institutions, but that possibility seemed unlikely at the time of our study. CPEC also takes credit for helping to establish the Council for Private

Postsecondary and Vocational Education, which now has a seat on CPEC and represents proprietary institutions, which typically specialize in short-term training.

Providing information may be CPEC's most important current function. Annual commission reports deal with such issues as faculty salaries, executive compensation, and higher education performance. There are fact books on fiscal profiles and student profiles as well as topical reports in such areas as: "Three Strikes" legislation; planning for projected increases in student enrollment; improved outcomes; and community college student charges. Most policy makers believe these reports raise only those issues that institutions want to have raised. A community college spokesman told us, "The amount of staff time spent looking at CPEC studies or responding to them is very small. They are not central players." A CSU executive acknowledged that CSU and UC manipulate the categories of CPEC's marginal cost analyses to tell the stories they want told: "CSU and UC work closely with CPEC to be sure that the organization doesn't tell a different story to the Legislature than the one being told by their organizations." A senator described the "contradiction between official word and truth. You go to CPEC for a version but you expect them to put a spin on it." A UC regent said that so far as he knew, CPEC has no influence on the Regents. He described with some annoyance a presentation CPEC made to the Regents when affirmative action was up for discussion, terming it a "classical example of double-speak about equity and social justice." He added that CPEC seemed to be walking a fine line and saying nothing of substance that would irritate the educational establishment.

If CPEC reports have marginal impact, the fault may not lie solely with CPEC. A CSU executive told us the state makes policy by anecdote. If an executive summary of a CPEC report reaches a slightly different conclusion that is counter-intuitive, legislators will pay attention. Otherwise little attention is given to reports. A senator confirmed that legislators most often get information by anecdote, by personal experiences, and through cocktail party talk. He added, "There are a series of reports that are available to legislators such as those put out by CPEC and legislative analysts. While these are important, their impact is really overrated. Unless someone has a real interest in an area and takes the extra time to wade through some of these reports, they are not likely to pay them much attention."

The California Education Roundtable

Although segmental interests in autonomy may be well served by a weak and compliant CPEC, there is always the concern that if the segments act too independently someone will impose a system structure. An example can be found in an effort by Senator Tom Hayden to initiate a statutory meeting between the higher education chief executive officers. Partly to fend off such efforts, system heads have recently re-energized the Education Roundtable, a voluntary organization that includes a representative from the private sector and the superintendent of schools as well as themselves.

First organized in 1979 to address student outreach and teacher preparation issues, the Roundtable has also focused on issues such as articulation and transfer, the interface between K–12 and higher education, and teacher preparation. Its initiatives are carried out largely through the Intersegmental Coordinating Committee (ICC), its operating arm. From a legal point of view, the roundtable is independent of CPEC, although the executive director of CPEC participates as a roundtable member.

Most of those who are not part of the education establishment—and many who are—view the potential of this organization as limited. A legislative staff member told us, "The Education Roundtable performs some coordinating responsibilities but it is really a group of insiders being able to talk to one another." A community college spokesman described it as a way to force segments to sit down occasionally. A former CPEC staff member described the roundtable as an excellent vehicle for expressing the establishment view in higher education. He added that it is not a forum that examines public interests except as those may coincide with the interests of the various segments. A spokesman for the private sector said the effectiveness of the roundtable is heavily dependent upon who is sitting at the table. For many years it was, he said, a "mandarin exercise."

The most controversial agenda item currently under consideration by the roundtable is a Rand study funded by the Hewlett Foundation (headed by David Gardner, a former UC president) to deal with such Master Plan issues as student flow and enrollment demand, innovative responses to change, and issues of long-term funding. To some degree, these issues duplicate what CPEC has already done or is doing. A state senator, clearly no fan of Gardner, described the study as "sending foxes to guard the hen coop." He said he sees the study as a possible strategy to reduce student demand to what segment heads believe the market ought to be. Since roundtable members do not want the organization seen as an attempt to supplant CPEC, they plan to bring their recommendations from the Rand study to CPEC.

The Student Aid Commission

The Student Aid Commission administers three forms of state grants. Cal Grant A is the original scholarship program and was designed to be based on merit. It is now need-based but also incorporates measures of scholastic capacity as measured by grade point average. Most grants go to students attending UC or private institutions. Cal Grant B focuses on disadvantaged students, with most awards going to students attending CSU or community colleges. Cal Grant C is for vocational education. Originally, 90 percent of Cal Grant funds went to students attending private institutions. By 1994, UC students were receiving slightly more funds than their private sector counterparts. In the same year, the share awarded to CSU students was less than 20 percent. Community college and proprietary students each receive less than five percent of student aid funds. Some believe the Cal Grant program has drifted from its original purpose.[6]

In the budget process, legislators favor keeping tuition and fees stable rather than providing additional funding to state financial aid. The result has been to drive up the grade point average required to qualify for Cal Grant A. This trend favors the more selective universities and private institutions. While Cal Grants did increase from 1991 to 1995, only one out of every five qualified students received a Cal Grant in 1995. For Cal Grant A, competition for funds occurs primarily between students at the University of California and those at private institutions; for Cal Grant B, the competition is primarily between students at Cal State and those at the community colleges. The public segments have opposed increased support to students attending private institutions. The maximum grant in 1995–96 was about $5,200, well below the average subsidy for students attending comparable public institutions. During our study, there was talk about raising the level of aid for new recipients to approximately $7,000, an amount that was calculated as the average public subsidy at UC or CSU, plus the average state grant. This change was approved by the Legislature and signed by the Governor in the 1996–97 budget.

Because so few of the eligible students receive state grants, institutions have had some proportion of their fees set aside from tuition revenues for financial aid at least from the 1960s at the University of California and from the 1980s at Cal State. The philosophy behind institutional aid is that the decision on institutional fees is one of the last made in the budgeting process. Institutions need some flexibility to assist students because of the lack of predictability of the fee structure. Amounts were very small until the early 1990s. As a result of fee increases, however, the set-aside now equals one-fourth to one-third of the total amount collected in tuition and fees. Part of the Governor's agreement on budget increases is that 30 percent of any increase in fees will be used for financial aid.

Recycled fees in public institutions now account for more aid than the state provides directly to students. Policy leaders have looked for alternatives to the current way aid is administered, including decentralizing the selection process, but the leaders cannot agree on a different approach. There is growing concern about by-passing the state responsibility for preserving access as well as the constitutional prohibition on direct funding to private institutions. A law was adopted in the late 1980s to prescribe the relationship between fees, tuition, and access, but the legislation was never funded.

California Community Colleges

The community college mission involves "the provision of high quality, lower division instruction for students who wish to obtain associate degrees, transfer to a baccalaureate institution, or prepare for an occupation as well as the provision of remedial, English as a Second Language (ESL) and literacy instruction to all who require those services."[17] A CSU president said, "Clarity of mission has most suffered in the community colleges segment. They are mature institutions with mismatches between the skills of the unionized faculty and the current needs of the students and their communities." A spokesperson for the independent sector said, "Community colleges can't be effective until they decide what they want to do. They are simply too divided among diverse functions without any clear state voice about which of these is more important and how success in performing the mission ought to be measured."

Most of those we interviewed were positive about the performance of the community colleges, but not about the efficacy of the structure of the community college system. Most said that they do not think that the community colleges could reasonably be described as a system at all. A CSU faculty leader said, "The community college system is not a system at all." A senior staff member of the statewide Board of Governors told us that community colleges were never set up to be a system, adding, "The system isn't broken; it was never set up to work in the first place. It is better to think of the community colleges as a federation." A CSU official said, "Everyone knows that the governance structure for community colleges is out of whack. The story going around about the vacancy for the position of chancellor of the California Community Colleges is a reprise of the Groucho Marx joke: anyone who wants the job is unqualified." One participant said simply, "The system doesn't work."

A community college president described the state chancellor's office as "weak," and added, "To some degree, the presidents like that. The state board flip-flops between governance and coordination. Governance attempts are not very warmly welcomed." A second chief executive officer (CEO) argued, "The governance process in its present form traps colleges and [local] trustees. If local governance is to be maintained, the chancellor's office must take a hard line on such issues as the amount of resources to be devoted to operation, maintenance, and technology as opposed to collective bargaining agreements." A third president reported that local boards were saying to district administrators, "We don't want you spending time with the state board; they have just created a lot of chaos and conflict."

Local resistance to leadership attempts by the state Board of Governors contributes to the appearance of chaos. Those who are most affected by the lack of distinction between the responsibilities of the local boards and the state board are the CEOs at both the state and local levels. During our study, the system chancellor resigned after being subjected by a majority of the board to such humiliations as a prohibition against out-of-state travel without specific advance authorization. Several observers suggested that the extensive turnover of CEOs in local districts during the last two years were related to difficulties with the governance model. A local trustee told us, "It's very difficult to fire a chancellor, but board members can make his life miserable." He then described a four-to-three vote in his district which barely averted a board-generated memo describing the board as "pro-student and pro-faculty" and therefore not disposed to pay much attention to administrative recommendations.

There is no consensus among policy makers about how to deal with governance issues. A senior CPEC staff member observed that every legislator has at least one of the 107 colleges in his or her district, then added, "Legislators believe that nothing works as well as it should. There are constant calls for change but no consensus about what the nature of those changes should be." An influential assemblyman thinks that community colleges are doing a great job but he doesn't feel that their governance system is functioning very well.

The combination of high partisan interest and lack of confidence in governance leads to frequent legislative intervention. A member of the state Board of Governors cited an instance where CPEC told a district they could not start a campus so a bill was introduced in the Legislature to authorize one. Recently the Board of Governors denied a request by a community college district to place funds in high-risk investments. The Legislature passed a bill granting such authority. Others told us that Legislators emphasize local control when they want to be perceived as district supporters, and they focus on the chancellor's office when they want to get something done

The Legislature is often seen as the arena for granting requests or resolving disputes regarding the community colleges. Community college CEOs, local trustees, community college administrators, students, and classified staff all have statewide organizations that come together under the umbrella of the Community College League of California to develop lobbying strategies. Faculty members are represented in Sacramento by their respective unions as well as by the statewide Academic Senate. Beyond these collective agencies, a president told us that regional organizations and presidents are beginning to hire their own lobbyists as well.

Board of Governors

Partly to avoid the lobbying activity of separate community colleges and their collective agencies, Assembly Bill 1725 invested the Board of Governors in 1988 with significantly expanded powers to serve as advocates for community colleges in Sacramento and "to administer and govern the statewide system of community colleges." The act also strengthened academic senates both in local community colleges and statewide. Under the act's provisions,

the composition of the board was set at sixteen members, five of whom (two local trustees, two faculty members, and one student) represent local colleges. Recently, the Legislature charged the board with developing a set of performance indicators for community colleges, an assignment on which they have made little progress. While the board was given responsibility for fiscal oversight, monitoring, accountability, program review and maintaining a management information system, most perceive actual authority as more coordinating than governing.

The budget process begins in the chancellor's office with the collection of information from local districts related to enrollment growth, inflation and other indicators of fiscal need. From this information the Board of Governors determines the full cost of operating the community college system and submits this estimate to the Department of Finance in late August or September in the form of a Budget Change Proposal (BCP).[18] The Department of Finance uses the BCP in negotiations with the Board of Governors' staff to develop a budget that is defended during a November meeting with the Governor. The budget process is largely incremental since the amount of funding for enrollments is capped. Tuition and fees are set by the state, which is a different arrangement than for UC and CSU.

According to the 1960 Master Plan, community colleges were to be located throughout the state but to remain locally governed and financed. In 1977–78, just prior to the passage of Proposition 13, community colleges received 39.6 percent of their funding from the state and 60.3 percent from local revenue. A year later, the funding mix was 69.2 percent from the state and 28.9 percent from local sources. From a high of 80.6 percent in 1979–80, state funding as a percentage of overall budgets has dropped to 37.6 percent in 1993–94, recovering to about 44 percent in 1995–96.[19] Both the state money and the local funding are appropriated through the state, leading some to describe "local property tax" as a misnomer since there is little local control over it.

By 1993–94, community colleges were receiving slightly more than $3,000 in average revenues for a full-time-equivalent student for instruction-related activities. This figure compared with $9,220 for the California State University and $12,388 for the University of California.[20] A former UC regent said, "Community colleges have three important missions but I don't know how the hell they can do them given the financial resources they are provided."

Community colleges are required to submit facilities' plans and master plans to the chancellor's office. While capital projects are funded through general obligation or revenue bonds, rather than the general fund, they must still be approved by the Governor. It is a source of concern to community college advocates that their institutions serve over one half of all students, but get only about one-third of the funding for facilities. The state also has about 20 categorical programs, including services for disabled students, economic development programs, and programs to increase transfer rates. Together these programs represent from 10

to 15 percent of the total appropriation. Categorical programs are subject to cuts in the budget process, however, and are particularly vulnerable to the political process.

Legislators cannot be certain that monies appropriated for a specific purpose will be used for that purpose. The problem is apparent at both system and local levels. In 1993, the state identified $90 million for enrollment increases in the community college budget. The chancellor, however, used the money to fill in gaps in community college funding rather than to fund enrollment increases. The money the Legislature thought it was appropriating for enrollment increases went to collective bargaining agreements and other purposes, an arrangement that created a furor when it was pointed out to legislators.

Program review, like budget development, reflects the fissures and cracks in community college governance. Districts can offer courses without approval of the Board of Governors, but they must have board approval for new programs. The chancellor's office did not review a gay and lesbian program started by the Community College of San Francisco. When legislators criticized this program, it became apparent that the college had simply put some courses together and given them a name. This type of arrangement is not covered by the program review process. In approving programs, the chancellor's office looks only at duplication with the offerings at nearby community colleges and does not consider the impact on other parts of California higher education.

Local Community College Districts

Most local boards consist of five members who serve four-year terms. Three members are elected in one two-year cycle and two in the next. Board members run for vacant seats according to the areas they propose to represent in the primary election. The top two vote-getters from each area compete in a districtwide run-off in the general election. Local board members receive stipends of $100 per day for attending board meetings. Many also receive the same fringe benefits they negotiate for employees.

Because local board members negotiate collective bargaining agreements but are not responsible for levying the taxes to pay for them, employees spend money and time to ensure those favorable to their interests are elected. A faculty union representative noted that in the Los Angeles district, the union typically contributes about $100,000 to the candidates it backs in board races, and that this amounts to more money than anyone else has—which is one reason why union candidates usually win. But, he argued, "You don't buy them; you don't even rent them for very long."[21]

Throughout our interviews, many respondents complained about one-sided collective bargaining agreements negotiated by boards to favor faculty who helped them get elected. One district CEO asked rhetorically, "Is there a conflict of interest in the development of public policy by people who are captives of special interests?" A CSU faculty leader told us that in his

system the budget process helps to counter-balance the effects of faculty senates and unions working together. He added, "There is no similar counter-balance for community colleges."

Faculty dominance of local governance through the combination of collective bargaining, the election of faculty-friendly local trustees, and the confusion surrounding shared governance has real consequences for the California Community Colleges and those they serve. Several current and former chancellors told us that sound academic planning at the local district is the rare exception. One added, "Curricular changes in general come from retirement." The same chancellor described program review as "nonexistent." We were also told that community colleges are almost entirely "provider-driven in that faculty fill in when and what they want to teach, not what students want or when they are available to take classes." A trustee described the problems administrators encountered in his district developing a board-mandated program-review process. When asked if the process might lead to any program closures, his response was, "I hope so." (His board was searching for a chancellor and a president during our study.) In a different district, a former administrator said, "The power of unions has cannibalized the educational program." A superintendent and president decried the adverse impact of faculty resistance to entrepreneurial activity, noting that his district has experienced no real curriculum development in 16 years.

Some faculty leaders see the situation differently. According to one faculty member, shared governance has allowed the faculty "to take back the curriculum" from administrators, and it has made the Academic Senate "a player at the table" with regard to campus budget decisions. Some faculty see administrators as being at the heart of the problem. One faculty member noted, "Shared governance will work but there must be buy-in from the top. . . . It won't work if the CEO doesn't want it to work." Another faculty leader argued, "If you have a CEO who really believes in faculty primacy in academic and professional matters, then it [shared governance] works pretty well."

Within the Los Angeles District, everyone is unionized except for the chancellor, presidents, and vice chancellors. One observer described the president of the district faculty union as "arguably one of the most powerful people in California's community colleges." A trustee told us that state law and negotiated agreements prevent the district from moving quickly to respond to changing demands. At one campus built in the wake of the Watts riots, an enrollment that was 98 or 99 percent African-American is now approaching 50 percent Latino, heavily drawn from an immigrant population. The new students need ESL courses and have packed board meeting rooms on a number of occasions to press their demands. Adding the necessary number of ESL courses has not been possible with a faculty resistant to retraining and heavily oriented toward teaching liberal arts. A campus president in the same district said that faculty workload remains unexamined because faculty members don't want it examined. He continued, "Administration and the board have given up on workload and offered benefits that are so generous as to be almost absurd. There is a guaranteed no take-back and no layoffs. The board has offered up governance, leaving them with no power."

In 1990, the Los Angeles board bought a building for $12 million to use as the district office, despite the opposition of the chancellor. The building was never occupied and may now be worth, according to the *Los Angeles Times*, about $4 million. More recently, the Western Association of Schools and Colleges deferred re-accreditation for Pierce College, one of the district colleges, partly as a result of faculty irritation at irregular personnel actions taken by the president. During our study, the district chancellor was fired. He did not choose to go gracefully, a circumstance that seemed to evoke little concern from union leadership who, according to an informed district administrator, don't believe that administrative leadership makes much difference. Lack of respect from faculty leaders causes bitterness among administrators as well as concern about the capacity of the district to attract a qualified replacement for the departing chancellor. A chancellor from one of California's other "big city districts" suggested that unless the Los Angeles board is willing to make philosophical changes, their choice of a replacement would be limited to a CEO who makes survival an "art form."

A legislative attempt in 1988 to reform community college governance through Assembly Bill 1725 is widely credited with making matters worse. Local boards feel overwhelmed by the requirements for consultation. Every decision goes through a torturous process. A member of the state Board of Governors told us the consultative process needs to be revised to require all stakeholders to negotiate at the same table at the same time. The board member criticized the length of time it takes for recommendations to surface and suggested that the consultative process serves to deaden—rather than enhance—institutional vision.

The degree to which boards rely on faculty in academic decision-making in a collective bargaining environment leaves CEOs in a difficult position. About five years ago, administrators working with faculty created a plan to reform physical education requirements at City College in the San Diego Community College District. A faculty member who would have had to change his teaching schedule accepted an incentive to retire early. After 18 months in Australia, the faculty member came back and sued, stating that he had been forced out. A judgment of $450,000, now on appeal, was lodged against the District. No member of the senate or the union that had participated in developing the retirement agreement would testify in its behalf during the lawsuit.

Most efforts at collaboration with the UC and CSU systems occur at the local level. Relationships are better with CSU. One chancellor described his largely unsuccessful efforts to work with the local UC campus: "The chancellor [of the UC campus] is up against the wall with his faculty. They do not want any collaborative activity with community college." At the same time, UC has strong influence over what core courses need to look like not only for community colleges but for CSU as well. Articulation agreements are developed between individual campuses and faculty at the CSU campuses. A community college trustee, also a CSU faculty member, told us that his colleagues tend to be more flexible when they need students, as at present. Despite some concerns about "curricular creep" where sophomore courses taken by community college students are not recognized as lower division courses by

UC and CSU, transfer is generally regarded as the most effectively performed mission, especially when judged by the proportion of CSU graduates who have previously had some community college experience.

There have also been some significant efforts at regional cooperation and collaboration. An organization meets monthly that is comprised of community college CEOs of the two-county area surrounding San Diego. These sessions are attended by representatives of UC, CSU, and independent colleges. There are sub-organizations of the vocational deans, deans of instruction, registrars and admission officers, and student personnel staff, as well as an annual meeting of local trustees.

Despite governance problems, most of those we interviewed provided positive assessments of community college performance. A UC regent told us that community college transfers do very well and that community colleges are the best bargain for taxpayers. A senior UC staff member echoed this assessment, noting that 88 percent of the system's transfer students are not initially UC-eligible. A member of the state Board of Governors described the California Community Colleges as "the sole savior for California." He added that community colleges are also taking on California economic needs and doing so very successfully. A legislative aide described the community college system as a real strength because it provides the opportunity always to have a second chance. The outgoing system chancellor lauded community colleges for doing a good job with the resources they received during recessionary years, working hard to retrain the work force, and to satisfy other needs despite the fiscal constraints they faced. A former UC regent described community colleges as "almost the opportunity of last resort."

Many who praised community colleges for their positive contributions were worried about the future. A trustee from an urban district told us that the funding and governance problems in community colleges will inhibit effectiveness unless they are fixed fast enough to prevent decline. He added, "We may be teaching smaller numbers of students as well, or we may be teaching the same number much less well." Another observer said, "We are probably more efficient than we are effective, partly because we are open-access. We do more with $3,500 per student than some of the other segments with double and sometimes triple that amount of money." A state senator echoed the concern about access, describing the "hemorrhaging of students during the past five years mostly from community colleges." And a district CEO who described diversity among faculty and students as a strength noted it was also a weakness because the diversity had not been integrated into the curriculum.

University of California

The University of California is a premier research university. Four campuses are members of the prestigious American Association of Universities (AAU). A senior UC official said that very soon, two additional campuses would achieve that status. A chancellor noted that each of the nine universities was the equivalent of a top-ranked university and all would be members of AAU if it were not for the politics of belonging.

UC also plays a unique role in the hearts and minds of Californians. The ultimate goal for many high school teachers and high school principals is to graduate students capable of competing for a UC spot. A former regent described the university system as providing the standard of quality for the state and then told his personal story of the difference the university had made in his life. Virtually every person we interviewed expressed pride in the university and its accomplishments. Many repeated personal stories about the difference that their attendance at the university had made in their lives, similar to the former regent's story. Most mentioned the university's outstanding performance on recent rankings of graduate programs.

There is less agreement about the degree to which the university is a single entity. A former regent described UC as "a group of semi-autonomous campuses with primary responsibilities resting with campus leadership to develop a distinctive mission. The amount of central coordination is not strong or dominant." A chancellor described the university as an "anomaly." He said, "Constitutionally, organizationally, and functionally it operates like one university when it isn't." A current regent said, "The reason the university works at all is that it is largely decentralized in terms of education. The chancellors have a lot of authority and should have."

The degree of decentralization brings both advantages and disadvantages. A senior system administrator told us, "We now have a high degree of decentralization compared to where we were before. We've grown from a single University of California with branches to what are functionally nine co-equal campuses." While the university has systemwide policies, most educational and academic decisions are made at the campus level. Because of shared governance, many entities deal with academic policies. The point of initiation can be a chancellor, the Academic Senate on a campus, the provost, or even the Council of Chancellors. Ultimately, any initiative could be examined by all of these groups.

Even though the university includes nine separate campuses with considerable autonomy, a strong common culture and the size of the system disposes faculty and administrators to work with their counterparts on other campuses rather than turning to outsiders. A campus administrator said, "We tend to work very closely together and to talk more with one another than with outsiders. Our unified budget limits competition among the campuses, strengthening the system." Those we interviewed believe strongly in the value of the system organization and the advantages of exchanging information. A chancellor said, "The clout of the nine campuses is tremendous. We don't act as a group all of the time and when we do we have great power."

Some respondents described a down-side to the system arrangement. A chancellor identified UCLA as an institution that might be better off going in its own direction, but quickly added that the good of the system and the good of the state were best served by sacrificing individual benefits for the sake of the whole. Apart from the fact that some campuses (San Diego was also mentioned) might be better off on their own, the most serious criticism of the system had to do with the degree to which every campus seeks to emulate Berkeley and UCLA. Such homogenization is expensive in terms of the duplication of doctoral and professional programs. It also impacts adversely on innovation and flexibility. Any effort to reduce duplication must, at some point, confront what most observers agree is the strongest example of faculty governance in the United States.

The 1879 ratification of the state constitution granted to the UC Board of Regents powers that lead some to describe the university as "the fourth branch of government." When the state Legislature passes bills affecting the university, lawmakers usually include a clause explaining that the statute will only go into effect if the Board of Regents passes a comparable resolution. During the 1970s a series of court decisions laid out the separation of powers implied by constitutional status in terms of tuition, academics, and other areas of board responsibility. The university has its own retirement system, an asset that was used to fund one major campus strategy for responding to the state's fiscal crisis of the 1990s. The university also has the capacity to shift funds between accounts, an element of flexibility that helped the university preserve student numbers and services during fiscal cutbacks. While the state can prescribe the proportion of Cal State's fees to be used for student aid, they have only a gentlemen's agreement with the UC system.

This autonomy, according to a long-term observer of Sacramento politics, gives the university enormous bargaining power. UC representatives, however, still pay attention to the priorities of the Governor and the Legislature because of the state's power to determine budgets. Several years ago, a UC lobbyist asked an influential legislator what right he had to ask detailed questions about the UC budget. The answer was, "I have the money." A former CPEC official, after noting that nothing in the constitution requires the state to appropriate funds, described the university's tendency to dwell on the diminishing portion of funding provided by the state as "bullshit." He added, "The state appropriates 80 percent of core support and UC cannot get by without central or core support."

There are signs of a changing relationship between state government and the UC system. Recently, UC Board of Regents meetings have been contentious and the focus of much more attention from the media and the public. A regent described his first six years on the board as "very boring" and the next three years as "sheer panic." A chancellor said legislative term limits create real problems: "We don't know the people we are working with and they don't know us. Universities are hard to understand and we're going to be dealing regularly with brand new people."

The university recognizes that relationships with state government have changed. A campus business officer noted, "The Governor and the Legislature have the purse strings. We try to pay attention to what they tell us." This is a marked change to the historic approach to "fill legislative halls with blue jackets and gold ties" in a political interchange where "We take no prisoners." A CSU administrator told us that UC, with greater constitutional autonomy, has been much more willing to acquiesce to elected officials. The administrator added, "While UC's constitutional status gives them many degrees of freedom, the [freedom] seems to have diminished."

Board of Regents

UC is governed by 26 Regents (18 of whom are appointed by the Governor to 12-year terms after confirmation by the Senate) and a student member appointed by the Regents for a one-year term. Seven *ex officio* members include the Governor, Lieutenant Governor (who can be and currently is from a different party than the Governor), the superintendent of public instruction, the Speaker of the Assembly, the president of the university, and the president and vice president of the alumni association. The board operates through seven standing committees, one of which first considers every matter requiring board action.

There are significant differences of opinion both within and outside the board concerning its appropriate role. A chancellor told us, "The Regents' role is to set policy, to set the rules and regulations for the university at large. They are then supposed to delegate operations to the president who in turn delegates to the chancellors who in turn delegate to vice chancellors and so on." New regents, who tend to be activist, are not particularly happy with this definition. A regent appointed by a previous Governor told us, "Regents do attempt to influence the actions of chancellors of individual campuses through both formal and informal means. Every time something happens on any campus, some regents want to establish a new regulation and a central staff to manage it to try to insure that universities behave as they think they should."

A newer regent expressed frustration with "the love/hate relationship" between the board, the administration and rest of the university: "Regents come to the board with particular interests but the establishment doesn't want the Regents involved. The Regents then lose interest and simply follow administrative recommendations." He described the question of how to channel Regents' interests for the best use of the university as "a major issue." One of his newer colleagues on the board reflected this position as well, noting that some of the regents are

trying to get more power at the board level because "You want to feel that your work counts for something. You don't want to be a rubber stamp."

Regents do seem disengaged from many of the decisions an outsider might ordinarily expect them to consider. They don't evaluate chancellors. They don't evaluate the president and they don't receive information on the relative performance of campuses. In the absence of any formal evaluation process, a regent told us the board relies on national rankings of graduate programs, adding, "When the rankings came out last fall, it gave everybody a lift." Regents do not get involved in actions involving academic personnel. Curriculum decisions typically do not come to the board either. A regent who had served on the board for well over half of his total term had very little information about the Regents' role with respect to graduate programs. He asked rhetorically, "Why do five universities have medical schools?" He thinks that Regents should be involved in approving new doctoral programs but he is not sure if this is the case.

Much of the work on the budget is also done without the Regents' knowledge. The formula used for distributing the UC appropriation to the campuses is not approved by the Board of Regents. The 7.25 percent tuition increase in the 1996–97 UC budget message developed by the UC administration came as what one regent described as "a big surprise to Regents and students at a public meeting." The same regent acknowledged, "The sheer magnitude of the university leads to many surprises, but the board has given the new president a clear message that they will tolerate some little surprises but they do not want big surprises."

There are at least two or three different ways in which buildings can be funded. A regent told us that very few of the buildings actually constructed came before the Buildings and Grounds Committee. Campuses can sometimes build parts of a building even if funds for the entire building are not available. This same regent described his view of the budget process: "The board receives a report in October on negotiations with the Governor. In November, they decide to go along with it. The process is very fluid and difficult to understand. Regents do get involved with student fee issues."

We heard at least three explanations for the more activist role new regents are taking. The first, widely heard among those within the UC system, emphasized the changing character of the board. One university administrator noted that at one time Regents were:

> *people who had close associations with the university and who viewed being on the board as a great privilege and who understood relationships between boards and managers. The board now has fewer people who have ever run large enterprises. It is made up of housewives, doctors, contractors with small businesses, lawyers with small businesses, and accountants with experience in regulatory agencies. As a result, people who do not understand the difference between running the university and governing the university are trying to do both.*

Those who criticize the composition of the current board are not in agreement about how it should be changed. One regent argued that younger members are needed and that members should be chosen less on the basis of the size of their contribution to the Governor's campaign. Another said that the board would benefit if it "included fewer lawyers and more business folks."

A former regent said he was not sure that the Regents had ever been representative of the demographics of the people of California or that it should be. He was not convinced that a board with more representative characteristics would make an improved contribution.

A second explanation for board activism favored by newer regents and those close to them has to do with the degree to which a former president, David Gardner, tried to keep activities close to the Office of the President. That experience, plus public reaction to the way the board handled his retirement package, we were told by a regent, has induced a bias among many regents to be distrustful of the president's office and to be doubtful of whether it knows how to manage. A regent who participated in the retirement decision added, "While the staff served us badly on the retirement package, we served ourselves badly as well. The publicity from this action was very damaging to us and very embarrassing to us." The regent continued by noting, "The system was badly in need of reforms when Peltason [Gardner's replacement] was hired but none were forthcoming."

Some regents also complained about staff motivations and responsiveness, as well as the accuracy of the information they provide. One, obviously irritated by staff comments about board micro-managing, noted with some determination that regents would get involved in whatever they consider important. The regent forwards questions from students and other constituents directly to chancellors and other staff members. Responsiveness among chancellors varies greatly, "all the way from I'll get you an answer right away to five months have gone by and we haven't heard a thing." This same regent noted that affirmative action administrators were very unresponsive in providing information about preferential admissions, adding, "If administrators had been more responsive, it might not have prevented the problem but it certainly would have helped."

A third explanation of increased activism by the Regents holds that the Governor has a political agenda and has appointed regents to carry it out. This explanation occurs with about equal frequency among internal constituents of the university and those close to the Sacramento political scene. A legislative aide in describing the stand-off between the president and the Regents in the implementation schedule for ending preferential admissions noted that the Regents did not listen or take advice in the deliberation process before setting a deadline for implementing the policy. He added, "Anyone should know that a policy cannot be changed in mid-cycle without opening yourself to a number of lawsuits." The board, and particularly its most vocal members, looked completely past this concern, according to the aide, "because the issue was so politically important to them."

The combination of past mistakes and present activism insures interesting board meetings. Most meetings are held in an auditorium on the San Francisco medical campus, chosen, we were told, in the vain hope that the inconvenient location would discourage unwanted public participation. Visitors to board meetings have to run a gauntlet of uniformed UC security officers who sometimes outnumber the participants they are there to search. Once inside the auditorium, participants are separated from the stage on which Regents sit around a table by a number of tiered rows in which staff members and invited guests are seated. In each aisle, a security officer dressed in civilian attire watches spectators rather than the board meeting.

Meetings rarely start when scheduled, follow no time line that is discernible to visitors, and are frequently interrupted by closed sessions. Information about agenda items is hard for visitors to obtain in advance or at the board meeting. Describing these meetings as public relations disasters would probably do them too much credit.[22] Since acting on the affirmative action issue, board meetings have been frequently disrupted by student protesters. Affirmative action has been an enormous drain on board morale and energy. At one meeting, students seated in the spectator section rushed the board and slightly injured a security guard. Later that afternoon, one regent told us, "The forthcoming initiative on civil rights to be voted on this fall will take the Regents off the hook. If it passes we're mandated by the voters to do what we did. If it doesn't, I'll vote to reverse." California voters did pass the initiative, which attempts to end the use of race or ethnicity in admissions support programs or related services.

Office of the President

The president's office has three main functions. The first, described by the current president as the "key system linchpin" concerns maintaining at least a minimum level of coordination and promoting consistency across the system in relation to issues where there is legal exposure. Securing agreement about the policies everyone must live by is a high priority of the current president. We were told by him, however, "There is no common understanding across the system as to which policies fall into this category."

A second important function involves managing the processes that define and sustain an organizational culture that keeps individual campuses from moving into their own orbits. Central among these processes are academic personnel, admissions, and the curriculum, all of which are coordinated through the office of the system provost, whose major challenge is to address all potential points of conflict. Perhaps the most sensitive of the processes the provost oversees is the "transfer, consolidation, disestablishment, and discontinuation of programs" (TCDD). TCDD amounts to a form of due process for faculty threatened by collaborative activity undertaken to improve academic efficiency and synergy across campuses. Partly because of the UC culture, the process relies much more strongly on carrots than sticks. The relative emphasis on carrots troubled at least one regent who told us he would like to see substantially more authority over Ph.D. programs lodged in the Office of the President.

A third key function of the Office of the President has to do with negotiating the annual budget with the Legislature and the Governor, ideally with the support of the Board of Regents. Part of the challenge here is to reconcile the campus budget process, which largely faces inward, with the system budget process, which is focused outward. Established procedures for relating the system budget to academic planning are, in the words of one system administrator, "enormously cumbersome and do not accomplish much."

The president's office manages these multiple tasks through a staff described by a UC faculty leader as numbering from 1,100 to 1,200 employees. System executives would not provide a precise figure, arguing that the numbers would be meaningless because the figures include the UC press, agricultural extension, the total extension program, the overseas program, and certain other systemwide initiatives. This argument falls largely on deaf ears among UC faculty, who express concern not only about the numbers but also the bureaucracy. The same faculty member who furnished the estimate of the numbers added that "Some parts of the central office look on the faculty as a pain in the ass."

One metaphor we heard for understanding the role of the Office of the President compared the system to a dog sled and the president to someone standing on the back of the sled. Our informant added:

> *The University of California cannot be taken on its face value as a single university operating in many locations. It must be seen as a system in its own right. The president of the university is not a leader who can say anything about programs or curriculum without generating a letter from every department in the system asking him what the hell business is it of his how any subjects are taught. Leadership out of the president's office is a strange thing. The president can talk about the quality of education, about the cyber-library, about telecommunications, and about the role of the university in research. But he cannot talk about how well calculus is being taught.*

Faculty Influences and the Academic Senate

The Academic Senate is the umbrella for faculty governance in UC. The senate includes three constituent bodies plus two types of committees—committees of the council and committees of the faculty. The committees of the Academic Council include: the Board of Admissions and Recruitment, which deals with eligibility; the Committee on Educational Policy, which focuses on undergraduate education; the Committee on Graduate Academics (Graduate Council), which deals with approvals of graduate programs; the Committee on Faculty Welfare, which has responsibility for bread-and-butter issues; the University Committee on Planning and Budgeting, which has addressed such issues as the tenth campus and the medical schools; and the University Committee on Academic Personnel, which owns the systemwide Academic Personnel Manual. The chairs of each of these committees serve on the Academic Council along with the chair and vice chair of the council and the head of each campus senate.

The Academic Council serves as the executive committee of the Academic Senate. The chair and vice chair of the Academic Council attend Board of Regents' meetings and regularly participate in discussions, although they cannot vote. There is also a statewide Academic Assembly composed of representatives from each campus proportional to size plus the chair and vice chair of each campus senate. The Academic Assembly meets by statute once a year and acts mainly to confirm events that have already taken place. It can, however, inject itself into any issue and can introduce new legislation. The Academic Assembly also confirms the Academic Council chair and vice chair and is keeper of the rules.

Campus senates are called divisions. Divisions generate policy as well as implementing it. If a division generates policy, it must convince the other eight divisions to support its position. Divisions may also take other actions involving policies that apply only to their own campus. Currently there are tensions among divisions and between some divisions and the Academic Council.

The source of power of the Academic Senate, including its authority over academic programs and admissions, is in the standing orders of the Board of Regents and dates to the faculty revolt of 1919. Faculty view the authority of the Academic Senate as constitutionally established. The senate must be consulted on appointments, promotions, and tenure. Divisions make recommendations on academic personnel that chancellors are unlikely to contravene, although technically they could. A regent told us that tenure and curriculum decisions never get to the board, adding that the president's office gets involved on a policy level but most of the decisions are made at the campus level.

Faculty influence extends well beyond the formal structure of the Academic Senate. Faculty members are dominant in the selection processes for presidents and chancellors, first of all determining who appears in the pool and, second, in narrowing the pool to ten. Once the pool of candidates is down to ten, the Regents' committee and faculty members work together to reduce the pool to from three to five finalists who are invited for interviews. The process produces the single name that is advanced by the Regents' committee to the entire Board of Regents. Thus, a majority of the board is not involved in selecting a new president other than by endorsing the selection of a subcommittee of their peers. The process is very similar for chancellors. Not surprisingly, most leaders come from within the system, many through the Academic Senate.

Some regents believe the selection process for chancellors and the president is too private and does not provide for sufficient involvement of a majority of the Regents. During our study, the Regents introduced a motion to change the process to have the top three candidates appear before the full Board of Regents before a single person has been selected. The motion failed. Commenting on the decision to retain the current process, one regent said, "It's hard to be too enthusiastic about the existing approach [for selection of a president], given the results it produced the last time around."[5]

A second way that faculty exercise influence outside the senate structure is illustrated by the affirmative action issue. The initiative to ban race and ethnicity as criteria for admission or employment at the university came from a regent. The response of the Academic Senate was to refer the matter to the universitywide Committee on Affirmative Action, an action now considered by some senate leaders as a mistake. Such committees do not make their reports through the Academic Council and are not subject to the discipline of the committees that do. A faculty leader told us, "Such committees should not really be thought of as part of a hierarchy." Once the Affirmative Action Committee took up the issue of the Regents' initiative, they developed their own report and forwarded it to the Board of Regents without checking with the Academic Council, thus by-passing regular senate procedures.

Depending upon whose perspective is valued, the Academic Senate is either the reason why UC became as great as it did or the principal barrier to fundamental change. In reality, it may be both. A former regent told us, "The strengths of the senate are the strengths of the university, but it makes analysis and change more difficult." A chancellor described the Academic Senate as "the principal barrier to change because it insists that UC is one university, that all faculty must be treated the same at all campuses, and that all campuses must be comprehensive." A former system executive said, "Chancellors complain more about the senate than is justified."

Budget Process

The president's office coordinates the development of a unified budget through seeking answers to such questions as, what issues does the university of California face, and what is happening at the state and federal levels? The approach does not feature planning; the only campus-specific information that appears anywhere in the 177-page 1996–97 budget proposal appears on the last two pages and reports FTE student enrollments and actual-year average enrollments.[24] Vice chancellors in charge of planning and budgeting work with the president's office in the design and conduct of scenarios. The priorities in the UC budget are the result of meetings among the chancellors and their planning and budgeting vice chancellors. The actual budget is negotiated between the president's office and the Department of Finance and then the Legislature. The request for state funds for capital improvements is submitted in a separate volume and is projected on a five-year time line.

The Office of the President has historically used an annual approach, but the compact with the Governor negotiated during the past year has essentially changed that. The compact represents a four-year plan that provides guaranteed funding increases on an average of approximately four percent in addition to funds provided for state debt service, in return for a guarantee from the university for enrollment growth, increased portability of courses, continued increases in productivity and efficiency, and high priority on improved graduation rates.

Once the Legislature has made its lump sum appropriation to the university, the university divides the funds among campuses. A faculty member told us that this task used to be

accomplished by yelling and screaming. Under a previous president, a formula was devised that weighted graduate students more than undergraduates. A new president is now reconsidering that formula. A proposal under consideration during our study would provide equal compensation for undergraduate and graduate students for new resources above the current base. Neither the president nor anyone else can take away from one campus to give to another. The most that can be done is to redistribute the increment.

Campuses have substantial latitude over the funds they receive through whatever formula the system agrees upon. However, funds that flow to the campuses are watched very carefully by internal constituencies, thus limiting what chancellors can do in the absence of consensus about the way in which money should be spent. Funds appropriated for salaries are held sacred. Funds related to workload have much greater flexibility. Most student fees go back to the campuses where they are generated, but some of the funds are redistributed among campuses to take into account different economic profiles and differing kinds of students.

While there are no uniform campus budgeting processes, UC Berkeley illustrates how one campus currently manages this activity. The chancellor issues guidelines in January listing the content of the Governor's proposed budget and the university's expectations with respect to appropriations. The guidelines ask vice chancellors to help develop campus priorities by answering questions raised by the chancellor. Responses are analyzed and hearings occur under the direction of both academic and fiscal administrators. These activities lead into an annual budget retreat of seven senior administrators. During this meeting, campus priorities are ranked using issue papers prepared by the campus planning and budget office. This meeting produces recommendations to the chancellor and a letter to unit heads indicating what will be funded. Because this budget process grew out of hard times, it is more elaborate than one used previously. It may, according to some campus administrators, "be more elaborate than the system requires at the present time."

UC Berkeley had unique advantages as well as unique challenges in dealing with the budget reductions of the last several years. Because of positive fund balances and the reliance on retirement funds to offer early retirement to faculty, the campus was able to phase in the consequences of reductions in state funding rather than require severe departmental cuts in the year the state actually reduced funding. While reductions in state funding were apportioned in a reasonably uniform manner across the system, the impact of early retirement was greater on Berkeley; faculty numbers are down about ten percent in 1996–97 from the year before cuts began. Because it is an old campus, Berkeley has more deferred maintenance (currently $130 million worth) than the typical campus. In addition, the problems of maintaining the library, which serves in some respects as a state library, have been more severe than in other libraries of the system, with the cost of funding inflation for acquisitions alone amounting to approximately $3 million per year.

Academic Programs

The most serious program issue for the University of California is duplication at the graduate level, with five graduate programs in Scandinavian and the five teaching hospitals cited most frequently. But the issue is extraordinarily complex. A campus provost who acknowledged an over-production of Ph.D.s in the nation was not sure that UC with its reputation for high quality departments was the right place to begin addressing the problem. The provost said:

> *The economics of reducing programs is more complicated than a simple statement that programs are duplicative. Some graduate programs are too big because they need graduate assistants to teach large numbers of undergraduates. Overall, graduate education is extremely important to the research university, where the need for a common sense of citizenship among faculty can be defeated if some are second-class citizens because they do not have doctoral programs.*

The provost also pointed to the importance of graduate education as a driver for the state's economy.

Provosts no longer believe all campuses must replicate Berkeley. They have been meeting for the past two years to study ways to get faculty to engage in cooperative planning. Like many activities within the university, this one has been largely invisible, in part because of concerns that if administrators are perceived to be too visibly involved, they run the risk of offending the Academic Senate and alienating people whose collaboration is essential. Provosts are also concerned about appearing to promise more than they can deliver, perhaps wisely so since their efforts to date seem to have achieved very mixed results.

Cooperation is easiest to obtain in research, where state and national laboratory money create the possibility for funding at the system level. It is much more difficult to obtain in areas such as history and foreign languages, although both have been involved in discussions. Absent exceptional fiscal stress, collaboration is very problematic, particularly if it has connotations for ending a program at a particular campus. The budget provides the primary incentives. The system is trying to hold some central discretionary money to encourage collaboration of the sort currently being undertaken by history faculty. Most of the examples of differentiation and collaboration we were able to uncover, however, underscore the extreme difficulty of working through system processes and safeguards in matters involving university faculty.

While some UC officials hope for greater cross-campus collaboration through use of technology, campuses have been inconsistent in implementing collaborative models—running the spectrum from beaming information between campuses to actually sharing courses and programs. A senior system administrator told us that the tenth campus, when developed, will have to draw heavily from existing campuses and that technology will be a strong part of this equation. The university is also studying the use of technology within its libraries.

Information

Most respondents criticized the university for the quality, accuracy, and timeliness of the information they provide to the public. A state senator told us that the university needs to do a much better job of outreach and information dissemination in describing its mission and its importance to the state and the communities that it serves. A regent who characterized the university as "elitist and detached in the past" added, "This is a luxury we can no longer afford."

Although Regents get, according to one regent, "far more information than we can handle," they are not sure it's the right information. Regents were particularly critical of the information they received in relation to "the affirmative action disaster." In a board meeting we observed, system staff were closely questioned about an article that had appeared in a San Francisco newspaper dealing with internal security of the computer system and the treasurer's office. A staff member said the report the newspaper had quoted was never intended to be subjected to public scrutiny. Clearly no one on the board had been informed about the issue. Following expressions of concern, a regent said, "I assume you will be certain that a letter goes to the chair of the Audit Committee explaining this situation." In the same meeting, after selecting an audit firm different from the one recommended by the treasurer, the Audit Committee closely questioned representatives of the firm to be certain their work would reflect the interests of Regents and not simply support the perspectives of staff members.

Despite these warning signals, UC administrators expressed high levels of satisfaction with the information system. A senior executive told us, "Information is abundant and fine. If there is not enough information out there, it is certainly not the fault of the system. There is simply too much information for any one person to understand but certainly the university does all that it needs to do to provide information." A chancellor said that in order to effectively communicate with policy leaders, campus heads must convince them to visit. He said that his campus had some success in doing this, adding, "People like the campuses to which they relate and what they know about them. It's the other campuses that bother them." A senior administrator on a different campus described a community advisory committee that the campus has used and said that it had been a good tool for communication.

UC faculty members disagreed with administrators. An Academic Senate leader reported:

> The information system doesn't work well because it is imbedded in so much junk. A large part of the problem has to do with the way the university manages information to support positions and please constituencies. We try to provide information that conceals differences between campuses. Data gets organized particular ways to deal with particular problems and constituencies.

Performance

Assessing UC performance in the presence of changing objectives and allegedly managed information is a risky business. A chancellor said, "Two or three years ago, Regents were criticizing the university because we weren't moving fast enough on affirmative action. It was the Regents who created an exception category and mandated its use to increase the under-represented population." A regent who supported ending affirmative action described administrators and chancellors as "deceptive in trying to perpetuate the myths that the university does not admit on the basis of race, that race is only one of many criteria, that diversity equals quality, and they do not admit students without qualifications." According to this regent, from 40 to 60 percent of UC students were admitted on the basis of academic qualifications and the balance on the basis of social diversity. He also told us that admissions staff admitted they did not read the essays of whites and Asian-Americans but only those of the under-represented groups.

The affirmative action controversy blurs any effort to assess university performance on access and equity. The issue is not so much about outcomes as it is about objectives. High selectivity and high pressures for full-time attendance produce graduation rates for under-represented populations that are the envy of the rest of the nation, even if they are below the rates for Asian-Americans and whites. The university is now designing a new set of strategies for diversity. One regent described outreach as where the university needs to focus its efforts. Recently, the university convened an Outreach Task Force that includes representatives from UC, CSU, the community colleges, K–12 schools, and the independent sector. The university will spend at least $100,000 a year on this program, which, a second regent said, "would exist forever because of the amount of work that has to be done with the high schools and graded schools." This same regent told us that UC had done a "lousy job of increasing diversity at the undergraduate level and that the graduate level had gone to the opposite extreme."

A final issue in the access equation has to do with university relationships with community colleges. According to a senior UC spokesman, "Transfer now works quite well." The same official put most of the blame for transfer problems on the failure of community colleges to provide students with the necessary encouragement and courses. Most individuals outside the UC system, however, agreed with a legislative aide who noted that the university really doesn't pay much attention to community colleges, focusing its outreach programs instead on high schools.

The picture on efficiency is also unclear. It is possible to argue, as did one campus fiscal officer, that the university has improved its efficiency over the past three years because it is now receiving about ten percent less from the state and is providing the same quality of service to the same number of participants. Or one can argue, as did a senior UC executive, that UC is actually lower-cost than either the community colleges or CSU because large classes and the use of graduate assistants make it unnecessary for the university to spend as much on undergraduates. Whatever the merits of these "efficiency arguments," they are somewhat

undermined by the comments of a chancellor who, after noting the efficiencies produced by fiscal stress, added that the changes were not lasting: "Unfortunately, as soon as the crisis was over the university tended to return to business as usual."

Apart from anecdotal information of the sort reported above, it is not clear that UC has really looked at itself in terms of efficiency. A regent told us he has not seen a lot of information across campuses on efficiency. A former regent and strong UC supporter said, "The university has to assess itself and to be convincing that it has looked at itself in terms of how it allocates the resources it already has. It cannot make its case for public support if it has not accomplished this task." A senior chancellor provided some evidence about the degree to which such assessment has occurred in the questions he posed and the answers he provided:

> *Does California need nine AAU-type universities? California could probably get along with less but it's better off for having nine. Should there be less duplication? Yes. The nine multipurpose universities could be more specialized. They could have a greater sum at less cost if they were less duplicative. Can California afford nine research universities? Yes, if changes are made that encourage more entrepreneurship and permit privatization.*

Most questions about efficiency, however, are quickly brushed aside by information about UC contributions to the state economy. Said one regent in a typical response:

> *Sure the university is expensive, but it's worth it. In San Diego, the UC payroll is $40 million a month, second only to the Navy as a producer of jobs and payer of salaries. Gifts to the university are at an all-time high. The economic impacts of the institution are critical to the areas where they are located and to the state. The University of California is a great producer of jobs and every Californian has a real stake in their success.*

Assessments of quality were subject to none of the ambiguity we heard when discussing access or efficiency. Virtually everyone expressed pride in the "greatest university in the world." The principal evidence advanced was the recent National Research Council ratings in which UC campuses did extraordinarily well. A chancellor told us, "This is really a measure of the quality of the faculty, and systemwide the University of California cannot be beat." A legislative aide described research in graduate education as a critical component of university performance and said that the university does a good job in these areas.

If one moves beyond research and graduate program rankings, however, concerns about quality begin to appear. A former regent said the key question is whether the university could provide quality education to as many students as are projected to be qualified to enroll. He continued, "The quality of UC includes attracting good chancellors, attracting and retaining good faculty and ultimately being able to offer students the ability to complete degrees in a timely way so they don't have to go out of state to graduate in four years." A legislative aide

noted the need for closer relationships between higher education and the K–12 system. A former policy official expressed concern about the failure of UC to use its considerable power in helping schools improve.

California State University

California State University is the largest four-year higher education system in the nation and for much of its history has operated as a state-regulated bureaucracy. It is primarily a system for commuting students. At CSU San Bernardino, for example, only about 400 out of 12,000 students reside in campus dormitories. In addition to being very large, CSU is also diverse. Campuses like CSU Los Angeles and CSU Dominguez Hills are at the cutting edge of the demographic changes taking place in California. CSU Los Angeles has a student body that is approximately 30 percent white, 30 percent Asian-American, 20 percent Latino, and 20 percent African-American, which represents a major change from the early 1970s when the campus was more than 70 percent white. Enrollment changes have been accompanied by more than a one-third decrease in enrollment from the early 1980s, when the campus was at its peak. Partly because of the experience at CSU Los Angeles, faculty members in the CSU system have some doubts about whether "Tidal Wave II" will materialize.

The state university has given considerable managerial discretion to its campus executives. A faculty leader said, "There has been much discussion of decentralization and the central office has been downsized by 30 percent." Lead campuses are being used to perform work that was previously done in the central office. An administrator told us that centralization versus decentralization was the wrong way to think about what is happening at CSU. He suggested "networking" as a better metaphor for system efforts to create greater management capability on campuses while concurrently consolidating data centers and the telephone system to achieve economies of scale. The intent is to do things differently. Those who use internally generated services are, for example, being treated as "customers." However described, there is strong support among system participants for the managerial ideas that are reshaping the state university. A CSU faculty member, for example, praised the effectiveness of current leadership noting the positive impact on Cal State's public and internal image.

While the state university does not have constitutional status, the practical differences between Cal State's—versus UC's—relationships with state government are currently less significant than they have been in the past. This is partly because the CSU chancellor has, in the words of a UC chancellor, "been successful in fuzzing the line-item budget and UC has given up prerogatives upon which it might otherwise have insisted." A CSU executive used similar language to note that UC, with constitutional autonomy, has been less willing than CSU to test the legitimacy of policy decisions by state government. The executive added, when UC

compromises about policy issues involving budget language, it makes it more difficult for CSU to speak out.

Although Cal State may be subject to less state regulation than in the past, its lack of constitutional status leads to greater control by state government than UC has to tolerate. A senior system executive described a "tendency in Sacramento to micro-manage." Cal State's efforts to achieve greater managerial flexibility at the campus level have been supported by the director of the Department of Finance and by the Department of General Services under the direction of the Governor. These efforts, however, were opposed by the state comptroller (an elected office), and by some middle-management staff in the Departments of Finance and General Services. The comptroller, who was described as "never having seen a regulation he didn't like" imposed penalties and time losses on campuses and vendors. The opposition of the comptroller to greater flexibility on vendor payment issues led to a legislative compromise in the form of a pilot study. Even when the study demonstrated advantages to allowing greater flexibility, the comptroller found other reasons to object, which returned the issue to the Legislature.

Board of Trustees

CSU Trustees are appointed by the Governor for eight-year terms. They require 27 votes from the California Senate for confirmation. The current board was described by a campus president as "interested in broad policy issues." The same president attributed the board's focus on policy issues to strong appointments as well as "superb leadership from the chancellor." A trustee compared CSU to a large corporation with 22 branch offices. He continued by describing the presidents as "managers" and the board's most important responsibility as that of hiring and evaluating system management including the chancellor, principal staff in the chancellor's office, and the presidents.

The most publicized decision made by the board during our case study involved ending remedial education over a seven-year period. The initial board proposal was criticized by some opponents as elitist and irrational. CSU trustees and others praised the approach the system took to revising the original proposal: the board instituted a series of discussions throughout the state about the merits of the change. A campus president described this process with some pride: "At CSU we had extensive discussions at the board level about remedial education and affirmative action. When the political train began to approach, our board chose to act much differently than the UC board. Our board did not cave into pressure from the Governor the way that UC did." He added, "And they may not have had the same kind of pressure."

The hiring of a campus president involves a search committee that includes at least three trustees as well as faculty, staff, alumni, students, and often campus advisory board members. The search committee is always chaired by a trustee. A board member told us that the screening process moves forward by consensus noting, "Consensus means consensus among

Trustees because they are the ones that have the votes." Ultimately three or four individuals are interviewed by the full board.

According to one trustee, candidates until recently were "brought through the public gauntlet" on a campus before being brought to the board. CSU changed this policy during a search for a San Diego State University president, creating instead a panel representative of people from the campus. Interviews did not take place on the campus in a public forum as in the past. The same trustee told us, "It would be a real mistake to have a group of faculty, staff, or students hire the presidents."

Most campuses seek to have Trustees visit for a day and a half. On these visits, Trustees typically attend classes and meet with students and faculty. The visits are seen as a way to get feedback from people within the system about policy decisions under consideration. A trustee told us, for example, that the "pay-for-performance" policy change in the California Faculty Association contract negotiated during our case study was preceded by many Trustee discussions with faculty. Ultimately, "Faculty and Trustees agreed to disagree." Trustees believed that pay for performance was absolutely necessary while faculty members were not interested.

Office of the Chancellor

The job of the central office, in the words of one system executive, is "creating synergy so that the whole is greater than the sum of the parts." This takes place, according to this executive, "through persuasion, information sharing, and overarching strategic goals." A second system officer described CSU five years ago as "The most bureaucratic system I had ever encountered wrapped up like a mummy in red tape and collective bargaining." The system official noted that profound change was underway. Despite having to take $300 million out of the system budget over eighteen months, Cal State has avoided a "bunker mentality" by providing greater management flexibility to campuses so they could use some creativity in responding to a difficult set of circumstances. "Now," the official continued, "for the first time, campuses perceive that someone up there is fighting for them."

The positive view that central staff have of their performance was widely shared among others we interviewed. The president of a private university described the state university as "much better managed than other public segments," as well as "wiser in decision-making and in sticking to mission." A CSU campus president told us that the system structure works well for the campuses: "I am surprised at the extent to which I am really left alone to run the campus." A colleague who had recently joined CSU from a well-regarded system in a different state said that the state university is doing a better job of considering work-force development and the implications of technology for teaching than any other public university in the country.

Part of the strong campus support for system leadership stems from the opportunities presidents have to influence the decision-making process. The CSU Executive Council, which

is composed of campus presidents and the chancellor, meets ten times a year. In such meetings, participants create agendas for board meetings and discuss major issues of collaboration. The council typically convenes for two days. On the evening of the first day, presidents meet after the formal discussion has concluded to exchange ideas, lobby one another and discuss problems. This is understood by all to be part of the way the Executive Council works with the chancellor. All decisions within the system are on paper. There are no secrets.

The current CSU chancellor receives high marks for leadership. A trustee told us the system has provided support for its "branch offices," freeing them to make decisions but setting parameters for accountability. A senior executive described the chancellor as "much more consultative than his predecessor," adding, "One of the first things the chancellor said to the presidents is that you are part of system decision-making. You have dual responsibilities both as a campus executive and as a system official." A different system officer said, "The CSU board with essentially the same membership works very differently under the current chancellor because he encourages staff to air differences and expects the board to engage policy issues."

When the Trustees engage in protracted discussions concerning policies, the chancellor convenes a task force of presidents to work with them. The board policy on remedial education, far different from the one they set out to consider, developed from this approach. Because Executive Council discussions are probing, the Trustees have confidence in the chancellor's reports on presidential views. The work of the council is augmented by a long-standing academic vice presidents' council, as well as a newer group involving business vice presidents. There is also a presidential task force on synergy as well as many ad hoc groups in areas such as technology.

Within the state university, campus presidents are informally evaluated every three years. Every six years presidents are formally evaluated against written standards by at least one trustee as well as two or three additional people who conduct a series of interviews on the campus. A trustee, after describing the quality of CSU presidents as excellent, noted that if there were problems with a president, the evaluation process would be a way in which a person could be asked to leave the position.

Faculty Influences: Collective Bargaining and the Academic Senate

Faculty involvement in CSU is governed by the Higher Education Employee Relations Act, which divided the turf between the union and the Academic Senate. There are gray areas which might have led to conflict but have not. While the system senate has generally stayed out of hard cash issues, every campus senate wants to be seen as a serious player in budget development, since campus finance has traditionally been a process that belonged to the president. Opening up the budget process has been used by some presidents as a trade-off for greater flexibility in dealing with such issues as technology and recommendations regarding tenure and promotion.

Relationships among faculty, presidents, and Trustees have a troubled history in CSU. When unions were considered by each segment, CSU needed one to provide appropriate faculty influence in the governance process; UC did not. While relationships are better now, there are still tensions. A president described the union as the major barrier to change and added, "Campus senates run the union a close second. They are still in the mode of, 'We should run everything and who the hell are the presidents?'" He then qualified his comment: "The senate isn't all wrong. They correctly perceive that new presidents are very different from previous ones." In contrast, the system Academic Senate was described as a "pretty constructive force partly because of the time the chancellor spends working with them."

Negotiations for collective bargaining are done centrally by a team that includes employee relations' staff and one campus president. A support team made up of senior systems' staff and a handful of presidents set major directions for the negotiations. The involvement of presidents in the negotiating process is new.

During the last set of negotiations, a determined and successful effort by Cal State produced the agreement that one component of any salary increase would be determined by merit. This approach had never been used previously. In return the union received: no take-back in contractual provisions; improvements in conditions for lecturers; and service steps for faculty in the intermediate ranks. A faculty member said:

> *The merit component was rammed down the throats of the union. They have since spent a great deal of time going around campuses and explaining to senates, who have responsibility for implementing merit, the union's lack of choice in the matter. Even with this explanation, campus senates have had a difficult time distributing the small amount of money available and have not been happy in having the job.*

Budgeting Process

Historically, the state university has used an extremely complex array of funding formulas in its internal budget process to produce a Trustee request to the Legislature "that far exceeded any rational resource expectation." In 1994, a redesign of the internal process eliminated the formulas. Concurrently, the chancellor was able to negotiate a four-year compact with the Governor that provided a four percent annual increase in general fund operational support, annual funding of $150 million for capital renewal and support for modest fee increases to help stabilize funding and strengthen growth. In return, CSU agreed to accommodate average annual enrollment growth of approximately one percent and to increase financial aid for qualified but financially needy students.[25]

Internally, the budget process begins when the chancellor articulates the priorities that have previously been discussed with the Executive Council. The allocation process is heavily enrollment driven with a base for each campus to which incremental changes are made based

on changes in enrollment. Most of the budget is in the form of salaries. If campuses have enrollment gains or losses, changes can be made. However, the system can also decide to preserve an institution's budget in the face of enrollment losses as in the case of CSU Northridge, which lost ten percent of its enrollment following serious earthquake damage in 1995. Apart from special circumstances, institutions can gain or lose two percent in enrollment without affecting their base levels of funding. Campuses negotiate with the chancellor for additional monies that may be available based on increases or decreases in enrollment, enrollment targets, and system initiatives.

The budget process for 1996–97 produced a 56-page document that covers everything from enrollment to maintenance. Typically there are no individual campus requests posed to the state, although earthquake recovery at CSU Northridge, the development of a new campus at Monterey Bay, and the unique character of the recently acquired Maritime Academy receive specific attention. The only other fiscal information on a campus-by-campus basis has to do with parking and housing spaces. The budget document describes the process of developing the budget as "consultative" and refers to Cal State as "a single university with 22 front doors."

There is no standard campus budget process. At CSU Northridge, the budget process was described as "protracted, elaborate, and evolving." A recently created University Budget Advisory Board includes faculty, staff, and students. The process begins with a budget message from the president providing general parameters within which budget discussions will occur. The president's statement is reviewed by the Budget Advisory Board and distributed to vice presidents who are required to solicit input from their staff. In fiscal year 1996–97 for the first time, the campus is initiating a bench-marking process for two or three departments in each support area. Ultimately, all departments will be subject to bench-marking and the results will become the basis for reallocating funds. The campus budget process ends with a list of items that will be funded by the "teeny weenie amount of money" available.

The open budget process at CSU Northridge represents a relatively recent—but apparently widespread—innovation within the CSU system. When we asked if presidents on other campuses could make decisions without consultation, we were told "not easily." Faculty members talk to each other across the system. There may still be some institutional cultures that are sufficiently isolated and where the president is held in sufficient esteem that the old system may work, but most campuses have had to open up their budget processes.

Program Planning and Review

Every new major or degree at CSU must come through the central office for approval. All majors or degrees also go to CPEC. There are two criteria in the review: does the proposal meet central office standards; and will the proposal get past CPEC. Because every campus has its own rigorous system of arriving at which programs should be offered, central office

involvement tends to be routine and more directed to facilitating CPEC approval than constraining campus initiatives.

A routine review of existing academic programs happens on each campus every five or six years. Campuses report the outcomes of these reviews but the central office does not tell them what to do. The process is much less centralized and directive than in the past. Not all presidents believe such campus reviews have much to offer. One told us that the process had been captured by the faculty and did not produce reports with any value for decision makers.

System initiatives related to the curriculum tend to be broadly strategic rather than focused on specific programs or majors. Project 2001 is an example. This study builds on collaborative relationships with the Department of Finance and asks four questions: (1) From the state's perspective, why do people need to be in college in the year 2001? (2) Who is likely to be in college and what are their needs? (3) What curricula will be required to match state needs to student characteristics and needs? (4) What modes of instruction will be most effective?

Work on Project 2001 began with "an environmental scan." Part of the purpose of the scan was to identify data needs for the project. Once these needs were decided, a decision was made to contract the work out to a campus through a request for proposal process. Not only was this approach judged to be less expensive than using central office staff but, in addition, the approach involved campuses directly in the work. CSU will add data from the Department of Finance to the data being generated through the campus project. The state university will also provide input from a committee composed of campus and central office staff. Concurrently with all of this activity, a separate but related project to reconceptualize the baccalaureate degree has been initiated by the statewide Academic Senate. The hope for Project 2001 and related initiatives is that they will lay out the strategic directions CSU intends to follow. Strategic directions will not be a mandate for campuses to do anything specific but will define priorities that will be reflected in such other processes as presidential evaluation and budgeting.

The state university is also studying approaches to providing additional services in the Ventura area. The current idea is to design a new four-year university where educational delivery systems would be drawn from existing CSU units and perhaps elsewhere as an alternative to building a complete campus. In planning for these services, links have been developed with community colleges since they would be sites for the delivery of some of the instruction.

Articulation

California State University has a history of paying attention to articulation with community colleges and secondary schools. A senior system executive described the inclination of CSU staff and faculty to work with community colleges as natural, given the fact that 80 percent of all CSU graduates have some community college experience. A state senator said that the recent CSU discussion about remedial education provides evidence that the university will begin to take responsibility for working with high schools. He added that the discussion has

begun to focus people on the relationship between systems and has gotten turf issues out on the table.

The state university educates the majority of the state's classroom teachers. The proposal to alter system policies towards remedial education makes very little mention of teacher education, even though some trustees note that the system shares responsibility for the problems in K–12 education.[26] Improving the quality of teacher education programs may be the highest priority in terms of strengthening the link between K–12 and Cal State.

A number of articulation initiatives, both internal and external, turned up during our interviews. A trustee told us about the CSU "passport," which permits a student to take courses at any of the CSU institutions in the Los Angeles area without reapplying to a new institution. Less than 50 students used the passport program in 1994–95. The trustee added that he would like to see this kind of activity across segments. A senior executive at CSU told us about the involvement of local community colleges in the design of the Monterey Bay facility as well as in the development of the Ventura campus. A different executive mentioned Senate Bill 121, which was passed by the Legislature in 1991 and which established a general education core (of 34 units) that would be acceptable at every public campus within California. He said this legislation was aimed mainly at the UC system and was not as good as arrangements already existing between Cal State and community colleges. A community college president praised CSU Northridge for offering baccalaureate credit courses on her campus so that employed students do not have to travel to get at least some of the courses they require.

The state university is also involved with UC and several private institutions in offering joint doctoral programs. However, a UC president said that cooperation between CSU and UC as intended by the Master Plan has never really occurred. Restraints on CSU doctoral and professional programs remain a source of irritation to those at CSU.

Information Systems

Perspectives on CSU information services vary. A senior CSU executive described information capabilities as "good" adding, "If someone asks CSU a question, they will get an answer." He described Cal State's decision to stop providing information on student retention because UC refused to do so as "atypical." A former state official said, "Systems do not make an effort to provide information that might put them in a bad light." CSU central staff members were said to be anxious about giving out information, suspicious about a "data dump," and afraid of people misusing information. UC and CSU remain as competing systems, so there is care about what information is furnished to whom. Most of those we interviewed indicated, however, that CSU has been better about furnishing information than UC.

A trustee described the information he received as a board member as "very good." He added, "The chancellor knows how to work with the board; his approach is full disclosure. When you

ask him for things they are there." A campus president told us that information is available within the CSU system, but it is not collected systematically so budget people have to make a special effort to get it. The president added that since the system's student payroll and personnel data are separate, there is no easy way they can be combined to provide information to policy makers.

Performance

Apart from the fairly minimal conditions outlined in the Governor's compact and the responsibilities suggested in the Master Plan, there are no clear state priorities for CSU. Within this context, most observers believe, primarily on the basis of anecdotal evidence, that the CSU system is working well. Many of these assessments, as in the case of a community college president, judge performance on the basis of current system leadership.

The principle criticism of CSU performance has to do with access and the enrollment declines during the fiscal crisis of the 1990s. According to a CPEC report, the number of first-time freshmen enrolling at CSU declined by about 8,500 students between 1989 and 1993, while the number of high school graduates statewide increased by 4,000. During this same period, the number of community college transfers showed very little fluctuation.[27] According to the Department of Finance, overall enrollments in CSU declined from 377,116 in 1990 to 324,386 in 1994. The college-going rate of high school students continuing on to the state university declined from 10.4 percent in 1990 to 8.5 percent in 1994, an 18 percent decline.[28]

CSU officials argue that their first priority after continuing students is, according to law, upper division transfers and that most of the people turned away were first-time freshmen or lower division transfers. CSU officials believe that all qualified upper division transfers from community colleges were accommodated.

CSU staff members defend their decision to reduce enrollments by noting that in the past campuses always assumed, with some degree of confidence, that resources would be sufficient to allow the campuses to take students who applied and that shortfalls in funding either would be offset by funds from within the system or would be made up within a year. During the early 1990s, the state provided a new set of conditions, leading to the CSU decision that "If the money isn't there we have to reduce enrollment." Through this decision, the state university hoped to send a signal to state elected officials that the parameters had changed. Cal State remains committed to the strategic position that when state funding is reduced, it is better are to take fewer students than to lower quality.

While overall state funding was reduced in the early part of the 1990s, the combination of increased tuition and declining enrollment led to an actual increase in the total revenues per student at Cal State. From 1990–91 to 1993–94, general revenues per student (state general funds plus student fees) at CSU increased by 2.5 percent, after adjusting for inflation.[29]

The national rankings on which UC bases its claims concerning quality are not available for CSU. From the data that are available, Cal State's performance is at least constant or improving. The five-year persistence rates for native freshmen were virtually unchanged at 54.9 percent for those entering in fall 1988 (compared to those entering in fall 1983), while the three-year persistence rates for community college transfers improved somewhat (to 63.8 percent) for those entering in fall 1990 (compared to those entering in fall 1985). The total bachelor's degrees awarded increased by 17 percent from 1989 to 1994. During the same period, the total master's degrees awarded increased by 35 percent.[30]

Private Universities and Colleges

Private institutions have a distinctive niche in California higher education that has not been fully exploited, partly because the California constitution prohibits direct support to private entities. Private institutions enroll 22 percent of all undergraduates in four-year institutions, 48 percent of master's degree students, 60 percent of doctoral students, and 67 percent of those seeking first professional degrees. In terms of statistical averages, private institutions appear less important than those in other states because of the skewing effects of community college enrollments.

There are four main points of contact for independent colleges with the rest of higher education. The first involves Cal Grants. Private higher education has consistently opposed changing the constitutional prohibition against capitation grants. They prefer to have funds awarded through students. Independent colleges are eligible for the Cal Higher Facilities Bonding Authority. This provides funding for alternative student loans as well as for facilities using tax-exempt revenue bonds. To date some $2 billion of such bonds have been issued. The independent colleges also have a representative on CPEC. Finally, there are informal relationships such as those involving the California Education Roundtable.

While the 1960 Master Plan mentioned private higher education only in the context of student financial aid, the private institutions were influential in the development of the Master Plan.[31] From 1960 to the 1986 Master Plan revisions, private higher education was largely ignored in policy discussions. A representative of the independent sector told us that for much of his experience, independent institutions have been known as the "by the way sector." For the most part, the private sector has been happy to be left alone as long as the state gives adequate attention to "that which it holds dear," said a private college president, "namely the Cal Grants." Until 1985, student demand and available resources created an environment in which higher education was one big happy family. There was, for practical purposes, no market competition.

Between 1985 and 1990, tuition costs increased rapidly. Private institutions, in competition with the public sector, engaged in tuition discounting, leading to a decline in institutional health ratios. Because of the health problem, language was inserted in the 1987 Master Plan Revision requiring the state to consider the capacity and utilization of the private sector in making planning decisions. In the early 1990s, fiscal problems in the public sector and declining enrollments at CSU have led to a recovery in private sector ratios. There is in the seeds of this

experience, however, a growing realization that the health of the private sector may in some ways be related to the status of the public sector. Current estimates suggest that the private sector might be able to supply from 10,000 to 40,000 seats or about ten percent of the projected demand for "Tidal Wave II." While a representative of the private sector sits on the Education Roundtable, and individual presidents of major institutions like Stanford have influence, the overall impact of the private sector in California remains weak.

Private institutions are represented in Sacramento by the Association for Independent California Colleges and Universities (AICCU). The Association has three or four primary functions, including representing the institutions' interests in Sacramento, coordinating joint financial activities such as recruitment and group purchase of insurance, coordinating information about the independent sector both for its members and an external audience, and working on anything else that members request. Member institutions are charged for the services they use to band together in such areas as worker's compensation and dental care. Through this arrangement, smaller institutions gain economic clout.

Coordinating Processes

Each of the public segments is responsible for coordinating the activities and services of its own institutions. CSU is credited with doing the best job of such coordination, the community colleges with the worst. UC lies somewhere between the two extremes. Within this scheme of things, CPEC is not so much a coordinating agency as a source of information and a mediator of last resort for disputes that are not resolved elsewhere. The Education Roundtable, with very few formal meetings per year, provides some voluntary coordination, as does the Intersegmental Coordinating Committee on issues related to transfer. Most of the people we talked with recognized problems with this arrangement but preferred it to the constraints of a tighter structure. The absence of a credible coordinating structure for higher education shifts the statewide action on such work processes as budgeting and articulation to state government.

Budget Process

The three public segments and the Student Aid Commission submit budget requests to the Department of Finance in the form of Budget Change Proposals (BCP) in September. In late November, the Governor meets with the system heads, who support their requests. A veteran of many of these sessions described the meetings as "characterized by glazed eyes and few questions." Based on these and other meetings, the Governor develops line items for the public systems of higher education and the Student Aid Commission within his overall executive budget, which is introduced to the Legislature in January.

Budget and finance committees in the Senate and Assembly consider higher education as part of the single central budget that includes all state expenditures. Very seldom is there a policy debate on the true policy implications of the budget. No one looks at the big picture. Discussions in subcommittees are very political and focus on meeting the individual requests of the various interests. This process usually does not produce an acceptable budget.

On May 15, the Department of Finance comes back with increases or decreases to the budget based on estimates of the state of the economy. The real decisions are then made behind closed doors among the "big five" (the Governor's representative and the majority and minority leaders of both chambers of the Legislature). These leaders introduce the results of the compromises on the floor of the Legislature late at night and "try to ram the budget through." There is never a final budget until after the 15th of June. Within this process, the Legislative

Analyst's Office is the nonpartisan body that has responsibility for looking at budgets and asking questions about what they contain.

Capital projects are considered through the same budget process but funded in a different way, largely through revenue bonds or general obligation bonds that have to be acted upon by the voters. The projects included in either of these methods of finance are determined by the Governor's office and the Legislature. Unlike the operating budget, the capital outlay budget is designated by campus.

After the Governor's budget has been acted upon by the Assembly and the Senate, a conference committee consisting of three members from each chamber issues a supplemental report, which provides a statement of legislative intentions. Like a joint resolution, the supplemental report does not have the force of law, though it does advise the recipients of the appropriations that they will incur disfavor if the instructions are ignored. The supplemental report, which is incorporated as a part of the official budget when it is finally adopted, is one of the primary ways the Legislature formally sends messages to higher education.

Prior to the election of Governor Wilson, there was often proviso language in the budget that specifically directed how the funds should be spent. Democrats generally favor more control language. Governor Wilson's philosophy is to provide block grants and maximum flexibility. His policy is to veto regulatory language in the budget or from the Legislature. In California the Governor can use line-item vetoes to delete control language without affecting appropriations. In non-appropriation bills, the Governor must either veto the entire bill or none of it.

In response to the Governor's use of line-item vetoes for control language, the Legislature has used "trailer bills" more frequently as a basis for providing direction. As one example, a trailer bill established a duplicate degree charge in 1992 providing that someone who had already earned a bachelor's degree and enrolled for another undergraduate degree would be charged the full tuition established for an out-of-state student. Since trailer bills make long-term changes, most often in response to a short-term problem, they usually contain a sunset clause. The duplicate degree charge will expire in 1997.

During the 1990s, appropriations to the four-year institutions have been provided to the public systems through two different means. From 1991 to 1994, the state gave block grants to institutions without any consideration of enrollment changes. For 1995 and 1996, appropriations have been based on the compact the Governor negotiated with UC and CSU.

Since the process of budgeting in California has always been incremental, it has focused primarily on marginal issues. The difference now, we were told, is that budget analyses provide less information than they used to. The legislative staff member who made this observation added that the magnitude of the budget simply doesn't allow it.

Program Review

The program review process is primarily campus-based, but the system offices do provide a fairly serious review of new programs and of those programs considered for discontinuation. CPEC keeps an inventory of programs and must review new majors, new programs (the School of Public Administration, for example), or joint doctoral programs. While CPEC cannot prevent a degree or program from being offered, systems typically work with CPEC to negotiate around any controversies.

Intersegmental Articulation

California provides many examples of collaborative activity between individual institutions. Sacramento State shares a facility with Solano Community College. The Los Rios District has a well-regarded transfer agreement with UC Davis. UC Davis has a joint doctorate in higher education with Fresno State. In the aftermath of the affirmative action decision, UC has established an outreach task force that includes representatives from K–12 and the independent institutions, in addition to the other two public segments. Cal State Northridge has a K-16 collaborative in the San Fernando Valley, as well as an intersegmental telecommunications project funded by the Annenberg Foundation. CSU campuses at Monterey Bay and in the Ventura area are working closely with community colleges to coordinate the expansion of higher education services. The bottom line, however, is that there is no central authority in charge of articulation.

The absence of a single authority with responsibility for articulation is surprising in a state where so much rides on universal access to upper division work through transfer. The Legislature has tried to reduce barriers to transfer by requiring the institution of transfer centers, course articulation numbering systems, a mandated general education core, and, most recently, a common course numbering system.

Transfer works reasonably well between community colleges and CSU which is very dependent upon transfers to fill upper division classes. It works less well with the University of California. Even where it works well, however, there are problems. CPEC tries to gather data on the successes and failures of transfer through a special section in its annual report, *Student Profiles*. CPEC efforts are somewhat inhibited, however, by the absence of a student information system that permits cohort tracking. As a result, CPEC must rely upon institutional reports which, as previously noted, are widely perceived as self-serving.

The results of all of these different efforts fall significantly short of inspiring. A community college representative told us that, despite the amount of attention paid to transfer, very little has been accomplished in terms of true seamless movement. A legislative staff member said, "Transfer and articulation is a mess in California because of turf issues. There are transfer agreements but they are all negotiated and fought out to the extent that they are not always very

effective." A state senator told us of his involvement in a major bill on transfer primarily because of anecdotal evidence from individuals who were having great difficulty.

There is general agreement that the systems need to work together more closely to be sure that students are prepared to succeed. Currently, however, the Intersegmental Coordinating Council, a voluntary body, provides the only arrangement for working across segmental boundaries. Whatever is not worked out voluntarily is left to the Legislature, where contending interests have the opportunity to pursue their special points of view.

Information

Beyond the reports provided by CPEC, the Legislative Analyst's Office raises issues to which systems must respond in front of the Budget Committee. A senator described their work as helpful but limited in the sense that analyses don't start with any vision for higher education or occur within a mission framework. The credibility of the Department of Finance is limited by its role as compiler and advocate for the Governor's budget. The Legislative Analyst focuses primarily on questions of efficiency, including such issues as deferred maintenance and the weight of faculty salaries. A representative told us that over the year the Legislative Analyst's recommendations have been all over the map. There is need for a longer range focus in analysis and recommendations particularly on such sensitive issues as student fee increases.

Beyond CPEC, the Department of Finance and the Office of the Legislative Analyst, the Legislature has also contracted special studies on faculty workload and other issues. We were told by a legislative staff member that some analysis occurs in these studies, but not at a very high level. The reports are primarily anecdotal and include very little longitudinal data or original research. A Democratic senator said that the situation would get worse rather than better as the Legislature increasingly relies on a weaker and more partisan staff that will bring ideological agendas to any analysis they do. He added that if Republicans continue to gain control there will be much more emphasis on student aid and privatization issues with a voucher system for higher education as a real possibility.

In the current policy environment, it is not clear that more or better information would necessarily have much impact on decisions. The Governor vetoed a student information system passed by the Legislature. It is much easier to cut deals with system heads on the basis of political philosophy and available resources than to try to make sense out of data pried from reluctant systems. Perhaps Californians prefer this arrangement. Higher education leaders seem to.

System Performance

Assessing the performance of higher education in California is no easy task. Apart from the four or five priorities defined by the Governor as part of his funding guarantee, there are no explicit goals, expectations or standards of performance. There is no information system that would permit evaluations based on other information than the segments furnish about themselves.

In response to Assembly Bill 1808 passed in 1991, CPEC began in 1994 to publish an annual report on higher education performance indicators. The most recent report devotes most of its space to population characteristics, fiscal support and student preparation. There is a fairly extensive section on student enrollments by system, including data on race and ethnicity. Analysis of the information in this and other sections is very limited. The report concludes with a section on student experiences and outcomes which are identified as the "core of the AB 1808 reporting."[32] The only outcome measures available to CPEC with uniform definitions across systems were: overall persistence rates for first-time freshmen and for community college transfers, degree production, and faculty diversity.

CPEC has made an effort through its most recent *Performance Indicators* report and its 1995 planning document, *The Challenge of the Century*, to define accountability as an issue and to shift agency emphasis to developing an accountability system and associated measures. While many of those we interviewed see the absence of accountability as a problem in California, few other than CPEC staff identified this agency's initiative as the appropriate way of dealing with the problem. A community college representative told us he thinks a good accountability mechanism could be developed on a voluntary basis. Even the CPEC spokesman who described the accountability initiative acknowledged that performance measures would be controversial and that institutions would resist providing information that could be used to measure them.

Given these circumstances, we asked our respondents, "Who looks after the public interest and how?" The most common answer was, "professionals within the system whose values lead them to act in ways that are responsive to the public interest." This answer came most commonly from representatives of the three systems, including some, but not all, of the members of their respective governing boards. A former CPEC official said that the public interest is best addressed through the budgeting process. He gave as an example the use of categorical programs and other legislative actions in the late 1960s and 1970s to encourage

institutions to recruit faculty members and students who more closely resembled the changing demographics of the state. A legislative staff member described the state's record on finding the appropriate balance between public and professional interests as "mixed," noting the "Gardner incident and other scandals." He added, "This has been less an issue in CSU and the community colleges."

Given the absence of priorities and the means for measuring their attainment, it is not surprising that general assessments of performance vary. A Senate aide said, "Higher education needs to be grabbed hold of and shaken hard"; by contrast, a CPEC official told us, "There is no significant dissatisfaction with higher education, the basic condition is contentment." Variations of the latter perspective were more common than the former. An ex-CPEC official described higher education as "non-contentious because it has been done well."

One of the more balanced views was provided by a senior senator. He told us that California has a good system in terms of quality, access, and affordability and that people perceive the system as something to which they are entitled and so they provide support. He added, "No one wants to privatize it or outsource it." At the same time, there is need for continuing improvement in such areas as the influx of new students, the number of drop-outs, escalating fees, and downsizing mentalities. A second senator, after describing what he called "spotty and uneven improvements" in most areas, added, "It would help if they talked more with one another, particularly on the access and efficiency issues."

Access

Most of those we interviewed said that California has done a good job with access although there were emerging concerns. A legislative staff member told us that access, a priority in the Master Plan, was a strength of all three segments though it plays out differently in each. He then noted the decline in participation as a result of the recession but added that it was not hard to figure out why this had happened given the slight drop in high school graduates, fee increases, a reduction in courses, and conscious policy decisions to admit fewer students at Cal State. He also had some concerns about graduation rates after students were admitted.

Those who worried about access in the UC system after the Regents' decision to end affirmative action had similar concerns for CSU. A private college president told us that most people of color were educated at CSU campuses. He added, "You cannot eliminate remedial education there without fixing it somewhere else." He was also concerned about the stigmatizing effects of attendance at CSU, an issue that concerned other respondents in California's tiered system as well. Finally, as previously noted, the decision by CSU to reduce admissions of first-time freshmen in response to reduced state appropriations raised widespread concerns.

There were no corresponding criticisms of community colleges concerning access. Such institutions were widely perceived as providing outstanding access without adequate resources.

A state senator did argue that the high level of access could be seen as a weakness for the system since it sends the message to students that they do not have to perform in high school because they can always go to a community college.

Efficiency

It is difficult to find evidence that efficiency has ever been a priority in California higher education. An Assembly member long associated with higher education issues told us he hadn't thought much about efficiency and considers enhancing efficiency to be the job of the Regents or Trustees. A legislative aide noted, "The system generally does a good job of cranking out a lot of students but it doesn't necessarily do it in an efficient manner. There are problems with efficiency and some concern, but mostly it's ignored."

There is some evidence this "hands-off" approach may change. A legislative staff member described two approaches among current legislators: "Old-timers are concerned that the University of California didn't get enough money. Newer members are more focused on teaching loads and the multifaceted missions of the institutions."

Most respondents said they consider efficiency to be a matter of inadequate funding rather than good leadership. A member of the community college Board of Governors said, "Community colleges are known for providing education cheaply. In some ways they have brought their current situation on themselves."

While those we interviewed had difficulty identifying efficiencies other than those created by inadequate funding, they had few problems identifying what they regarded as inefficient practices. At the head of the list were the number of research universities supported by the state and the duplication of expensive graduate programs. The decision to develop a tenth research campus for the University of California also came in for its share of criticism. Incompetent management—as evidenced by UC administration of health-related programs and actions of local community college governing boards, such as the purchase of the administration building in Los Angeles—also were raised as efficiency issues. Many respondents also expressed concerns about the degree to which systems were using or were likely to use new technologies in cost-effective ways.

Quality

Most discussions of quality in California higher education begin and end with the University of California, an approach that irritates advocates of California State University and is more or less taken for granted by their community college counterparts. A former UC regent said, "UC sets the standards for higher education in California. If that standard is weakened, all of higher education is weakened and the prestige and economy of the state will suffer." A UC chancellor

lauded the Master Plan for insuring that doctoral degrees would be granted only by institutions with the necessary resources and quality of faculty, unlike in other states.

Once you get beyond the UC rankings and research contributions to economic development, issues related to quality quickly become complex and confusing. A CPEC representative described California as no further along than other states in tracking performance standards that might help to determine quality. A legislative staff member identified quality as a priority but quickly added, "It is tough to know how to assess it. Typically the Legislature has deferred to Regents and Trustees in terms of how quality should be measured." UC Regents told us that at least in the past they accepted "whatever the central administration told them."

The answer then to the question of how California is doing with respect to quality and other valued outcomes seems to be, "We don't really know," as we were told by a legislative staff member. In the past this has not been a problem because of public confidence regarding access and the reputation of the University of California. However, public trust regarding higher education has become increasingly problematic. This loss of public trust, along with a changing political philosophy in Sacramento, has higher education leaders worried. Their concerns seem justified.

Appendix

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Notes

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[16] L. E. Gladieux and J. E. King, *Trends in Student Aid: California* (San Jose: The California Higher Education Policy Center, 1995), p. 11.
[17] T. Nussbaum, "Presentation to the Commission on Innovation," San Francisco, B. W. Associates, February 18, 1992.

[18] We asked for a copy of a budget change proposal and were told by the staff person we were interviewing that such documents were confidential.

[19] CPEC, *Fiscal Profiles 1995* (Sacramento: 1995), display 19.

[20] Ibid., display 10.

[21] W. Trombley, "Shared Governance: An Elusive Goal," *Crosstalk* 5, no. 1 (Winter 1997).

[22] See for example J. Richardson, "Where CSU Trustees Shine, UC Regents Fail," *The Sacramento Bee*, January 25, 1996, p. B4, for a story that compares UC Board of Regents meetings unfavorably to the meeting at which CSU ended remedial education. The story includes quotes from an activist student who has attended meetings of both boards.

[23] The regent was referring to the process that led to the selection of the predecessor to the current president. The board split sharply between chancellors of two major UC campuses before turning to a compromise candidate whose tenure was consistently criticized by virtually everyone interviewed.

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[28] Ibid., p. 45.

[29] W. Pickens, *Financing the Plan: California's Master Plan for Higher Education, 1960 to 1994* (San Jose: The California Higher Education Policy Center, 1995), p. 32.

[30] CPEC, *Performance Indicators*, p. 67.

[31] C. Kerr, "The California Master Plan," pp. 47–60.

[32] CPEC, *Performance Indicators*, p. 7.

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